A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities. The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws. Accordingly, these securities may not be offered or sold in the United States except in certain transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. This prospectus does not constitute an offer to sell or solicitation to buy any securities offered hereby within the United States. See "Plan of Distribution".*

*This prospectus has not been nor will it be approved as a prospectus by the United Kingdom Financial Conduct Authority (the "**FCA**") under section 87A of the United Kingdom Financial Services and Markets Act 2000 (the "**FSMA**") and it has not been filed with the FCA pursuant to the United Kingdom Prospectus Rules nor has it been approved by a person authorized under the FSMA. This prospectus and the Offering (as defined below) are only addressed to, and directed at, persons in the United Kingdom who are "qualified investors" within the meaning of Section 86(7) of the FSMA acting as principals and not for the benefit of others (save where Section 86(2) of the FSMA applies) and (i) fall within the categories of persons referred to in Article 19 (Investment Professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**FPO**") or Article 49 (High net worth companies, unincorporated associations, etc.) of the FPO; or (ii) to whom they may otherwise be lawfully communicated without breach of Section 21 of the FSMA. See "Plan of Distribution".*

AMENDED AND RESTATED PRELIMINARY PROSPECTUS DATED JULY 13, 2015, AMENDING AND RESTATING THE PRELIMINARY PROSPECTUS DATED JULY 8, 2015 IN THE PROVINCE OF QUÉBEC AND AMENDING AND RESTATING THE AMENDED AND RESTATED PRELIMINARY PROSPECTUS DATED JULY 8, 2015, AMENDING AND RESTATING THE PRELIMINARY PROSPECTUS DATED JUNE 23, 2015 IN ALL OF THE OTHER PROVINCES AND TERRITORIES OF CANADA

Initial Public Offering and Secondary Offering
(if the Over-Allotment Option is Exercised)

July 13, 2015

exactEarth®

exactEarth Ltd.

$80,000,000

● Common Shares

This prospectus qualifies the distribution to the public of ● common shares ("**Common Shares**") in the capital of exactEarth Ltd. ("the "**Company**", "**we**", "**our**" or "**us**") at a price of $ ● (the "**Offering Price**") per Common Share for gross proceeds to us of $80,000,000 (the "**Treasury Offering**" with each Common Share offered under the Treasury Offering being a "**Treasury Share**"). It is currently anticipated that the Offering Price will be between $10.00 and $12.00. Therefore, it is anticipated that between 6,666,666 and 8,000,000 Treasury Shares will be distributed under the Treasury Offering. Unless otherwise indicated, this prospectus assumes an Offering Price of $11.00, being the midpoint of the anticipated range set forth above, and that the Treasury Offering will consist of approximately ● Treasury Shares. We intend to use the net proceeds received by us from the Treasury Offering to repay intercompany indebtedness in the amount of approximately $44,000,000 owing by us to COM DEV International Ltd. ("**COM DEV**") and Hisdesat Servicios Estratégicos, S.A. ("**Hisdesat**"), our existing shareholders immediately prior to the Closing (as defined herein), for new product development, improvements in infrastructure, sales and marketing, and for working capital and/or general corporate and administrative purposes. See "Use of Proceeds". The Treasury Offering together with the sale of the Over-Allotment Shares (as defined below) (collectively, the "**Offering**") is being underwritten by Canaccord Genuity Corp. as lead underwriter and bookrunner ("**Canaccord**"), CIBC World Markets Inc., GMP Securities L.P., and Paradigm Capital Inc. (collectively, the "**Underwriters**") pursuant to an underwriting agreement among us, the Selling Shareholders (as defined below) and each of the Underwriters dated ● , 2015 (the "**Underwriting Agreement**"). The Offering Price has been determined by negotiation between us and the Underwriters.

COM DEV and Hisdesat (collectively, the "**Selling Shareholders**") have agreed to grant to the Underwriters an option (the "**Over-Allotment Option**"), exercisable at the Underwriters' sole discretion, in whole or in part, for a period of 30 days after the closing of the Offering (the "**Closing**"), to purchase up to an additional ● Common Shares (representing 15% of the Treasury Shares) (the "**Over-Allotment Shares**" and together with the Treasury Shares, the "**Offered Shares**") at the Offering Price for the purpose of covering all of the Underwriters' over-allocation position, if any, and for market stabilization purposes. The Common Shares to be purchased upon the exercise of the Over-Allotment Option will be sold by the Selling Shareholders on a pro rata basis. All of the Common Shares held by the Selling Shareholders after the Offering will be subject to a contractual lock-up agreement with the Underwriters. See "Plan of Distribution — Lock-Up Arrangements".

We are a leading provider of global maritime vessel data for ship tracking and maritime situational awareness solutions. Since our establishment in 2009, we have pioneered a powerful new method of maritime surveillance called Satellite-AIS ("**S-AIS**") and have delivered to our clients a view of maritime behaviours across all regions of the world's oceans unrestricted by terrestrial limitations. We have deployed an operational data processing supply chain involving a constellation of satellites, receiving ground stations, patented decoding algorithms and advanced Big Data (as defined herein) processing and distribution facilities. This ground-breaking system provides a comprehensive picture of the location of AIS equipped maritime vessels throughout the world and allows us to deliver data and information services characterized by high performance, reliability, security and simplicity to large international markets.

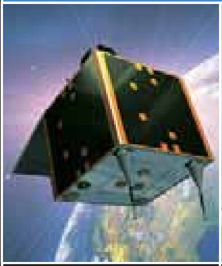
There is currently no market through which the Offered Shares may be sold and purchasers may not be able to resell the Offered Shares purchased under this prospectus. This may affect the pricing of the Offered Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Shares and the extent of issuer regulation. We have applied to list the Common Shares on the Toronto Stock Exchange (the "**TSX**"). Listing will be subject to us fulfilling all of the initial listing requirements of the TSX, including distribution of the Common Shares to a minimum number of public holders. The TSX has not conditionally approved the listing of the Common Shares and there is no assurance that the TSX will approve our listing application. See "Plan of Distribution".

(continued on next page)

exactEarth®
A World Without Horizons

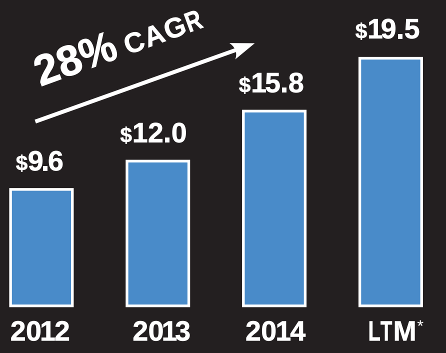
Market Leader in Global Vessel Tracking

Providing global maritime vessel data for ship tracking and maritime situational awareness solutions. exactEarth's Satellite-Automatic Identification System (S-AIS) is a powerful new method of maritime surveillance that is unrestricted by terrestrial limitations.

First Generation Constellation and Infrastructure			
			
7 Satellites	17 Ground Stations	Satellite and Terrestrial Data	2 Data Processing Centres

Revenue Growth

(C$millions)

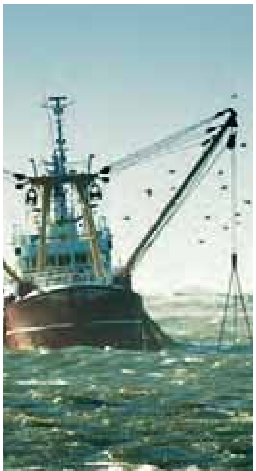
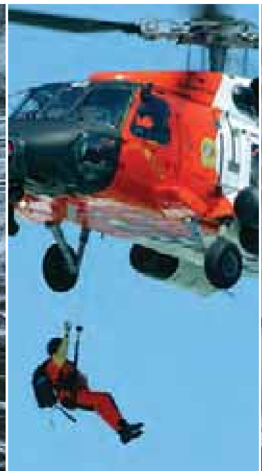


*For the 12 month period ending May 1, 2015

~ $90 Million Invested

80% Subscription Based Revenue

Critical Customer Applications Present Growth Avenues

Maritime Surveillance	Commodities Tracking	Illegal Fishing	Environmental	Search & Rescue	Anti-Piracy
					

AIS was initially developed as a collision avoidance system for ships at sea. Ships transmit and receive radio frequency signals to mark their positions, course, speed and other key information. Terrestrial AIS stations have been developed to track these signals from shore, but are limited by the horizon to 50 nautical miles. AIS has been mandated by the International Maritime Organization since 2001.

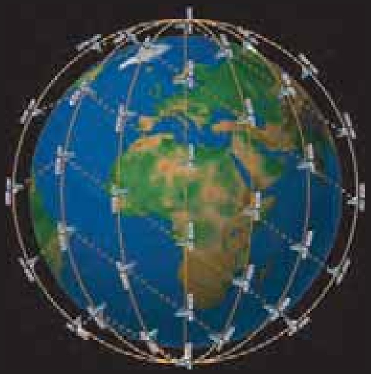
exactEarth developed a novel and patented technology to detect and process AIS signals from space using its proprietary satellite constellation, creating a world without horizons.

Today, **exactEarth** provides a comprehensive view of maritime traffic, which is responsible for 90% of global trade.

Transformational Strategic Alliance Provides Access to US$3 billion Space Infrastructure

- Exclusive access to 58 satellites on Iridium NEXT satellite constellation
- Enhances system performance with real-time information
- Expands services and broadens customer base and markets
- Leverages Harris' relationship with U.S. Government customers

HARRIS



F2014 Revenue:
US$5 billion

67%
U.S. Military / Government customer base (F2014)

One Dataset, Multiple Customers

Maritime Security
Unusual / illegal behavior?

Search and Rescue
State of emergency?

Port Authority
Arrival time?

Customs
Unusual cargo or suspicious behavior?

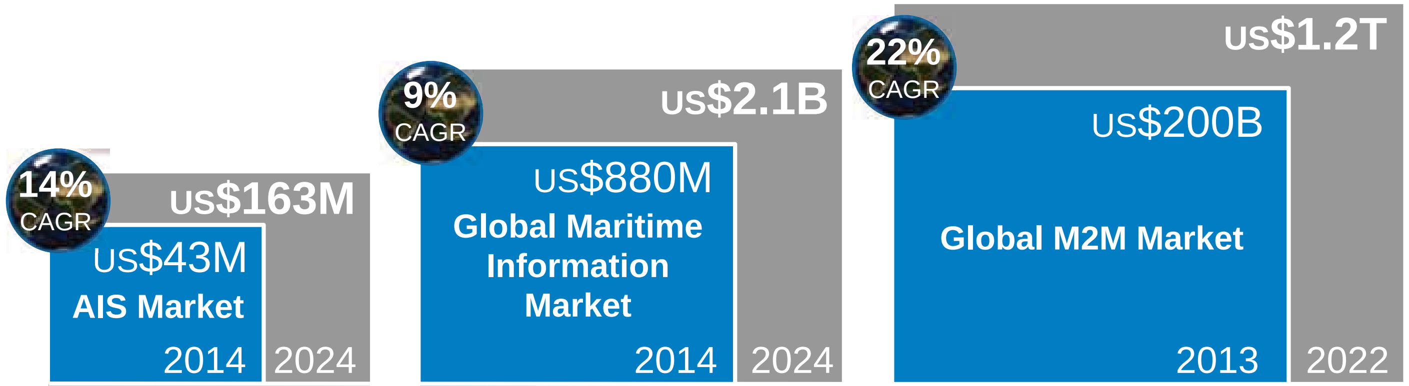
Commodities Trader
Source and value of cargo?

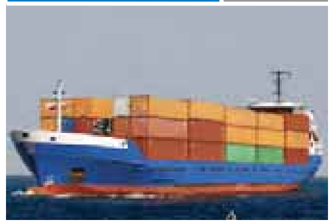
Ship Owner
Length of journey and final destination?

Insurer
Unnecessary risks or unplanned route?

Environmental Regulations
Travelled through protected waters?

Diverse, Growing Global Markets





(continued from cover)

An investment in the Offered Shares is subject to a number of risks that should be carefully considered by a prospective purchaser before purchasing the Offered Shares. See "Risk Factors".

Price: $ ● per Offered Share

	Price to the Public	Underwriters' Fee(1)	Net Proceeds to the Company(2)(3)	Net Proceeds to the Selling Shareholders(3)
Per Treasury Share	$ ●	$ ●	$ ●	$ ●
Per Over-Allotment Share	$ ●	$ ●	$ ●	$ ●
Total Offering(3)	$ ●	$ ●	$ ●	$ ●

(1) Pursuant to the terms and conditions of the Underwriting Agreement, we have agreed to pay the Underwriters a cash fee equal to ● percent (● %) of the gross proceeds of the Treasury Offering, or $ ● per Treasury Share and the Selling Shareholders have agreed to pay the Underwriters a cash fee equal to ● percent (● %) of the gross proceeds of the Over-Allotment Option, or $ ● per Over-Allotment Share, if the Over-Allotment is exercised (collectively, the "**Underwriters' Fee**"). See "Plan of Distribution".

(2) These figures are after deducting the Underwriters' Fee, but before deducting expenses of the Offering, estimated to be approximately $ ● , which expenses, together with the Underwriters' Fee, will be paid by us out of the proceeds of the Offering.

(3) The Selling Shareholders will not pay any expenses of the Offering in connection with the Over-Allotment Option as the incremental costs are not material. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee", "Net Proceeds to the Company" and "Net Proceeds to the Selling Shareholders" will be $ ● , $ ● , $ ● and $ ● , respectively. This prospectus qualifies the grant of the Over-Allotment Option and the Over-Allotment Shares issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Shares forming part of the Underwriters' over allocation position acquires such Over-Allotment Shares under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

Underwriters' Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	● Over-Allotment Shares	30 Days following the Closing	$● per Over-Allotment Share

In connection with this distribution, the Underwriters have been granted the Over-Allotment Option and may, subject to applicable law, over-allocate or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

The Underwriters and/or their affiliates from time to time have provided in the past, and may provide in the future, investment banking, financial advisory, broker-dealer and commercial banking services to the Company and/or the Selling Shareholders and their subsidiaries and affiliates in the ordinary course of business for which they have received, or may receive, customary fees and commissions. In addition, CIBC World Markets Inc. ("CIBC") is an affiliate of a Canadian chartered bank which has provided certain debt financing to COM DEV. COM DEV is a "related issuer" of the Company, as such term is defined National Instrument 33-105 — *Underwriting Conflicts* ("NI 33-105"). Accordingly, each of COM DEV and the Company may be considered a "connected issuer" as such term is defined in NI 33-105 of CIBC for purposes of applicable securities legislation in each of the provinces and territories of Canada. See "Plan of Distribution".

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by us and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on our behalf by Stikeman Elliott LLP, on behalf of COM DEV by Gardiner Roberts LLP and on behalf of the Underwriters by Borden Ladner Gervais LLP.

The Underwriters may offer the Offered Shares at a lower price than stated above. In connection with the Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Offered Shares at levels other than those which otherwise might prevail on the open market. See "Plan of Distribution".

Subscriptions for the Offered Shares will be received subject to acceptance or rejection in whole or in part by us or the Selling Shareholder, as the case may be, and the Underwriters reserve the right to close the subscription books at any time without notice. It is expected that closing will take place, and the Underwriters will be required to take up the Treasury Shares, on or about ● , 2015 or such other date as we and the Underwriters may agree, but in any event not later than 42 days after the date of the receipt for the final prospectus (the date on which closing occurs being the "**Closing Date**"). It is expected that one or more global certificates representing the Offered Shares distributed under this prospectus will be issued in registered or electronic form to CDS Clearing and Depository Services Inc. ("**CDS**") and will be deposited with CDS on the Closing Date. No certificate evidencing the Offered Shares will be issued to any purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of the Offered Shares will receive only a customer confirmation from the registered dealer from or through whom the Offered Shares are purchased. See "Plan of Distribution".

Prospective purchasers of Offered Shares should rely only on the information contained in this prospectus and are not entitled to rely on parts of information contained in this prospectus to the exclusion of other parts of this prospectus. We have not, the Selling Shareholders have not and the Underwriters have not authorized any other person to provide prospective purchasers with additional or different information. If anyone provides prospective purchasers with additional or different or inconsistent information, including information or statements in media articles about us, prospective purchasers should not rely on it. We have not, the Selling Shareholders have not and the Underwriters are not making an offer to sell or seeking offers to buy the Offered Shares in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing in this prospectus is accurate only as of the date of the prospectus (or as of such other date stated in the prospectus), regardless of its time of delivery or of any sale of the Offered Shares.

Amounts are stated in Canadian dollars unless otherwise indicated.

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NOTICES TO INVESTORS

General Advisory

An investor should read this entire prospectus and consult its own professional advisors to assess the income tax, legal, risk factors and other aspects of its investment in the Offered Shares.

An investor should rely only on the information contained in this prospectus. We have not, and the Selling Shareholders and the Underwriters have not, authorized anyone to provide investors with additional or different information. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the Offered Shares. Our business, financial condition, results of operations and prospects may have changed since the date of this prospectus.

None of us, the Selling Shareholders or the Underwriters are making an offer to sell these securities in any jurisdictions where the offer or sale is not permitted. For investors outside Canada, none of us, the Selling Shareholders or the Underwriters have done anything that would permit the Offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about and to observe any restrictions relating to the Offering and the distribution of the securities under this prospectus.

Interpretation

Certain terms used in this prospectus are defined under “Glossary”. Unless the context otherwise requires, all references in this prospectus to “the Company”, “we”, “us”, and “our” refer to exactEarth Ltd. and exactEarth Europe Ltd., our wholly-owned subsidiary (the “**Subsidiary**”) as constituted on the Closing Date.

Immediately before the completion of the Offering, we will give effect to a share capital reorganization pursuant to which each of our existing outstanding shares of any class will be converted into Common Shares. See “Capital Reorganization”. Unless otherwise indicated, all information in this prospectus gives effect to the Capital Reorganization, but does not give effect to the exercise of any options granted by us as described in “Options to Purchase Securities”.

Non-IFRS Measures

In this prospectus, we provide information about Order Bookings, EBITDA, Adjusted EBITDA, EBITDA Margin and Subscription Revenue. Order Bookings, EBITDA, EBITDA Margin and Subscription Revenue are not defined by International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board and our measurement of them may vary from that used by others. These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement the IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS.

We define “**Order Bookings**” as the dollar sum of fully executed contracts for the supply of our products and/or services to our customers received during a defined period of time. Order Bookings are indicative of firm future revenue streams; however, they do not provide a guarantee of future net income and provide no information about the timing of future revenue.

We measure EBITDA as net income plus interest, taxes, depreciation and amortization. We measure EBITDA Margin as EBITDA, divided by our total revenue. We measure Adjusted EBITDA as EBITDA plus offering related expenses, unrealized foreign exchange losses and share-based compensation costs, less unrealized foreign exchange gains. We believe that EBITDA is useful supplemental information as it provides an indication of the income generated by our main business activities before taking into consideration how they are financed or taxed. Prospective purchasers of Offered Shares should be cautioned, however, that EBITDA should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indicator of our performance or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows.

We define Subscription Revenue as the dollar sum of fully executed contracts for our products and/or services to our customers that are subscription-based, typically sold with a one-year period of service and recognized in our “Subscription Services” segmented revenue.

Market and Industry Data

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate or seek to operate, including our general expectations and market position, market opportunities and market share, is based on information from independent industry organizations and consultants, such as Euroconsult Inc. ("**Euroconsult**"), other third-party sources (including industry publications, surveys and forecasts), and management studies and estimates. The Euroconsult report described herein titled "Survey of Maritime Information Market" (the "**Euroconsult Report**") contains subjective research opinions and viewpoints of Euroconsult. The Euroconsult Report speaks as of its original publication date, March 6, 2015 (and not as of the date of this prospectus) and the opinions and market data expressed in the Euroconsult Report are subject to change without notice.

Unless otherwise indicated, our estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from our internal research, and include assumptions made by us which we believe to be reasonable based on our knowledge of our industry and markets. Our internal research and assumptions have not been verified by any independent source, and we have not independently verified any third-party information.

While we believe the market position, market opportunity and market share information included in this prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry and markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "Forward-Looking Statements" and "Risk Factors".

Trade-marks, Trade Names and Service Marks

This prospectus includes trade-marks, such as exactAIS®, exactAIS Geospatial Web Services™, exactEarth ShipView™, exactAIS Trax™, exactAIS Archive™ and exactAIS Density Maps™, each of which are protected under applicable intellectual property laws and is our property. Solely for convenience, our trade-marks and trade names referred to in this prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trade-marks and trade names. All other trade-marks used in this prospectus are the property of their respective owners.

Presentation of Financial Information and Other Information

We present our consolidated financial statements in Canadian dollars. In this prospectus, all references to "C$" are references to Canadian dollars, references to "US$" are to United States dollars, references to "£" are to Pounds sterling and references to "€" are to Euros. Amounts are stated in Canadian dollars unless otherwise indicated. The annual financial statements for 2013 and 2014 have been audited in accordance with Canadian Auditing Standards. The interim financial statements for the first and second financial quarters of 2014 and 2015 are unaudited. All other financial information of the Company referred to herein has not been audited and is derived from the records maintained by management of the Company.

Exchange Rate Data

We disclose certain financial information contained in this prospectus in United States dollars. The following table sets forth, for the periods indicated, the high, low, and average rates of exchange for one Canadian dollar, expressed in U.S. dollars, based on the Bank of Canada daily noon exchange rates during the respective periods.

	High (US$)	Low (US$)	Average (US$)
Six months ended			
May 1, 2015	1.2803	1.1236	1.2081
May 2, 2014	1.1251	1.0415	1.0875
Fiscal years ended			
October 31, 2014	1.1289	1.0415	1.0906
October 31, 2013	1.0576	0.9839	1.0198
October 31, 2012	1.0487	0.9710	1.0047

On July 10, 2015, the daily noon exchange rate reported by Bank of Canada for conversion of one Canadian dollar into US dollars was C$1.00 equals US$0.79.

Enforcement of Judgments Against Foreign Persons or Companies

Hisdesat is organized under the laws of a foreign jurisdiction, and James Adamson, Maria Izurieta, The Honorable Dennis Kloske, Miguel Angel Panduro Panadero and Miguel Angel Garcia Primo, five of our directors, reside outside of Canada.

The persons or entities named below have appointed the following agents for service of process:

Name of Person or Entity	Name and Address of Agent
Hisdesat Servicios Estratégicos, S.A.	exactEarth Ltd., 60 Struck Court, Cambridge, Ontario, N1R 8L2
The Honorable Dennis Kloske	exactEarth Ltd., 60 Struck Court, Cambridge, Ontario, N1R 8L2
James Adamson	exactEarth Ltd., 60 Struck Court, Cambridge, Ontario, N1R 8L2
Maria Izurieta	exactEarth Ltd., 60 Struck Court, Cambridge, Ontario, N1R 8L2
Miguel Angel Panduro Panadero	exactEarth Ltd., 60 Struck Court, Cambridge, Ontario, N1R 8L2
Miguel Angel Garcia Primo	exactEarth Ltd., 60 Struck Court, Cambridge, Ontario, N1R 8L2

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Marketing Materials

Any "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101 — *General Prospectus Requirements*) that are utilized by the Underwriters in connection with the Offering are not part of this prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this prospectus. Any template version of any marketing materials that has been, or will be, filed under our profile on the SEDAR website at www.sedar.com before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into the final prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that relate to our current expectations and views of future events. The forward-looking statements are contained principally in the sections titled "Prospectus Summary", "Our Business", "Use of Proceeds", "Management's Discussion and Analysis" and "Risk Factors".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to: anticipated use of proceeds from the Treasury Offering; future dividend payments; expectations regarding our revenue, expenses and operations; anticipated impact of changes to accounting policies; anticipated industry trends; anticipated new Order Bookings; research and development spending levels; selling, general and administrative spending; revenue growth guidance; gross margin trending, future growth plans and growth strategy; opportunities for market consolidation; anticipated future launch dates and launch locations for satellite assets; anticipated and continued benefits our strategic collaboration agreement with SRT and the recent announcement of the Second Generation Constellation on-board Iridium NEXT; expected useful lives of satellite assets and anticipated completion of additional ground stations.

Forward-looking statements are based on certain assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments and other factors we believe are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, prospective purchasers of the Offered Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, which are discussed in greater detail in the "Risk Factors" section of this prospectus and include: operational risks, actual commercial service lives of our satellites, launch failures and failure to reach planned orbital locations, insurance, uninsured risks and insurance against satellite-related losses, replacement cost of a satellite at the end of its service life, delay of satellite launches, risks associated with the capabilities of Iridium NEXT being greater than our existing capabilities, risks related to Iridium having priority over the Second Generation Constellation, risks associated with our inability to control various aspects of Iridium NEXT, risks related to revenue sharing, decision-making and co-ownership of intellectual property rights under the Harris Agreement, co-ownership of data, non-competition and exclusivity provisions under the Harris Agreement, risks related to the termination of the Harris Agreement, revenue targets, risks associated with our history of losses, failure of ground operations, failure due to unforeseen technical problems, operator error or orbital collisions, unused orbital locations, hardware and software defects, infringement of intellectual property rights, failure to protect our intellectual property rights, dependence on third party contractors, reliance on certain relationships with third parties, competition, technological changes, changing customer requirements, reliance on a limited number of customers and government contracts, political change and regulations, current and future global financial conditions, ability to raise adequate capital, software errors, security risk, dependence on the Internet, indemnifications and guarantees, risks related to future acquisitions, dispositions and strategic transactions, failure to manage growth, dependence on an increasing share of a growing market, reliance on key employees, risks related to global operations, foreign currency risk, interest rate risk, credit risk, liquidity risk, fluctuation of revenue and operating results, taxes, accounting estimates, litigation, use and protection of personal information, risks related to operating in a regulated industry, environmental, legal and regulatory compliance, risks related to Canadian and UK sanction laws, our reliance on resellers, agents and suppliers in other jurisdictions to obtain and abide by laws of foreign jurisdictions, dividends, provisions of Canadian law as they relate to acquisition of control of us by a non-Canadian entity, the interest of significant shareholders, future sales of Common Shares by Locked-Up Parties, risks related to the Lock-Up Agreements, potential volatility of Common Share price, dilution, discretion in the use of proceeds, absence of a prior public market, market discounts, risks related to financial reporting and other public company requirements, the additional regulatory burden as a public company, changes in accounting and tax rules (whether expected or unexpected).

In addition to statements relating to the matters set out above, this prospectus contains forward-looking statements related to our target operating model. The model speaks to our objectives only, and is not a forecast, projection or prediction of future results of operations. See "Management's Discussion and Analysis — Overall Performance — Target annual operating model".

Although the forward-looking statements contained in this prospectus are based upon what our management believes are reasonable assumptions, these risks, uncertainties, assumptions and other factors could cause our actual results, performance, achievements and experience to differ materially from our expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus and are expressly qualified in their entirety by this cautionary statement. Except as required by law, neither we nor the Selling Shareholders or the Underwriters assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

An investor should read this prospectus with the understanding that our actual future results may be materially different from what we expect.

GLOSSARY

This glossary defines certain business, industry, technical and legal terms used in this prospectus for the convenience of the reader. It is not a comprehensive list of all defined terms used in this prospectus.

"**1933 Act**" means the United States *Securities Act of 1933*, as amended.

"**ACT**" means the Alliance Coordination Team under the Harris Agreement.

"**Adjusted EBITDA**" means EBITDA plus offering related expenses, unrealized foreign exchange losses and share-based compensation costs, less unrealized foreign exchange gains.

"**AIS**" means Automatic Identification System, a system designed to collect maritime information in order to detect ships using VHF equipment.

"**AMSA**" means the Australian Maritime Safety Authority.

"**AtoN**" means Aid to Navigation.

"**Audit Committee**" means the audit committee of the Board.

"**Big Data**" means a data set so large or complex that traditional data processing applications and databases are inadequate for the processing thereof.

"**Board**" or "**Board of Directors**" means our board of directors.

"**CAGR**" means compound annual growth rate.

"**Canaccord**" means Canaccord Genuity Corp.

"**Capital Reorganization**" has the meaning ascribed to it under the section of the prospectus titled "Capital Reorganization".

"**CBCA**" means the *Canada Business Corporations Act.*

"**CDH Agreement**" has the meaning ascribed to it under the section of the prospectus titled "Relationships with the Selling Shareholders".

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CGU**" means a cash generating unit.

"**Class A**" means, when used in connection to a description of transponders, a generic reference to larger, more powerful AIS transponders installed on larger ships.

"**Class B**" means, when used in connection to a description of transponders, a generic reference to low-powered, low-cost AIS transponders.

"**Closing**" means the closing of the Offering.

"**Closing Date**" means the date on which the Closing occurs.

"**Code**" means our Code of Business Conduct and Ethics.

"**COM DEV**" means COM DEV International Ltd.

"**Committees**" means the Human Resources and Compensation Committee, Audit Committee, and Corporate Governance and Nominating Committee, collectively.

"**Common Shares**" means the common shares in the capital of the Company prior to and following the Capital Reorganization, as applicable, and including the Offered Shares.

"**Company**" means exactEarth Ltd.

"**Comparator Group**" has the meaning ascribed to it under the section of the prospectus titled "Compensation Discussion and Analysis — Market Position and Benchmarking".

"**Corporate Governance and Nominating Committee**" means the corporate governance and nominating committee of the Board.

"**DaaS**" means Data-as-a-Service.

"**Deferred Share Unit Plan**" means our deferred share unit plan adopted by our Board effective as of the Closing.

"**DFATD**" means the Canadian federal Department of Foreign Affairs, Trade and Development.

"**Director Nominating Process**" has the meaning ascribed to it under the section of the prospectus titled "Committees — Corporate Governance and Nominating Committee".

"**DPC**" means a data processing centre.

"**DSUs**" mean deferred share units under the Deferred Share Unit Plan.

"**EBITDA**" means net income attributable to shareholders plus interest, taxes, depreciation and amortization.

"**EBITDA Margin**" means EBITDA, divided by our total revenue.

"**EMSA**" means the European Maritime Safety Agency.

"**ESA**" means the European Space Agency.

"**ESPP**" means our employee share purchase plan adopted by our Board effective as of the Closing.

"**Euroconsult**" means Euroconsult Inc.

"**Euroconsult Report**" means the Euroconsult report titled "Survey of Maritime Information Market" as described in the section of this prospectus titled "Our Business — Industry Overview".

"**FCA**" means the United Kingdom Financial Conduct Authority.

"**First Generation Constellation**" means our existing fleet of seven operating satellites plus three satellites currently under construction and yet to be launched. As further detailed in the section of this prospectus titled "Business of the Company — Systems and Infrastructure", of these 10 satellites we own five, two are owned by third parties but host our payloads, and we receive signals from the remaining three satellites each of which are owned by third parties.

"**FPO**" means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

"**FSMA**" means the United Kingdom Financial Services and Markets Act 2000.

"**GT**" means gross tonnage.

"**GWS**" means Geospatial Web Services.

"**Harris**" means Harris Corporation.

"**Harris Agreement**" means the Satellite AIS Business Agreement dated June 8, 2015 between us and Harris.

"**Hisdesat**" means Hisdesat Servicios Estratégicos, S.A.

"**Human Resources and Compensation Committee**" means the human resources and compensation committee of the Board.

"**IaaS**" means Information-as-a-Service.

"**IC**" means the Canadian Federal Department of Industry.

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**IMO**" means the International Maritime Organization.

"**Insider Trading Policy**" means our insider trading policy adopted by the Board.

"**IOC**" means Initial Operating Capacity as provided for under the terms of the Harris Agreement.

"**IoT**" means the Internet of Things.

"**Iridium NEXT**" means Iridium Communication Inc.'s next-generation global satellite constellation, expected to cost US$3 billion, and consisting of 66 LEO satellites expected to be launched into space beginning in 2015 and to be fully operational by 2018, some of which will carry hosted payloads operated by Harris pursuant to agreements between Harris and affiliates of Iridium Communications Inc., all as reported by Iridium Communications Inc.

"**ISDEFE**" means Ingeniería de Sistemas para la Defensa de España.

"**ITU**" means the International Telecommunications Union of the United Nations.

"**KSAT**" means Kongsberg Satellite Services AS.

"**LDR**" means low data rate.

"**LEO**" means low earth orbiting.

"**Lock-Up Agreements**" has the meaning ascribed to it under the section of the prospectus titled "Plan of Distribution — Lock-up Arrangements".

"**Locked-Up Parties**" has the meaning ascribed to it under the section of the prospectus titled "Plan of Distribution — Lock-up Arrangements".

"**Lock-Up Period**" has the meaning ascribed to it under the section of the prospectus titled "Plan of Distribution — Lock-up Arrangements".

"**LRIT**" means Long-Range Identification and Tracking, a vessel tracking system.

"**M2M**" means Machine-to-Machine.

"**Majority Voting Policy**" means our majority voting policy adopted by the Board.

"**MD&A**" means our management's discussion and analysis of financial condition and results of operations as at October 31, 2014, 2013 and 2012 and May 1, 2015 and May 2, 2014.

"**Mercer**" means Mercer (Canada) Limited.

"**MIFR**" means Master International Frequency Register.

"**MMSI**" means Maritime Mobile Service Identifier, a series of nine digits which are sent in digital form over a radio frequency channel in order to uniquely identify ship stations, ship earth stations, coast stations, coast earth stations, and group calls.

"**MSS**" means mobile satellite service.

"**NATO**" means the North Atlantic Treaty Organization.

"**NEOs**" or "**Named Executive Officers**" means the officers and employees that we have determined are "executive officers" within the meaning of National Instrument 51-102 — *Continuous Disclosure Obligations*, as set forth in the section of this prospectus titled "Executive Compensation — Introduction".

"**Net Proceeds to the Selling Shareholders**" means up to $ ● .

"**NI 33-105**" means National Instrument 33-105 — *Underwriting Conflicts*.

"**NI 52-110**" means National Instrument 52-110 — *Audit Committees,* as amended.

"**NI 58-101**" means National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, as amended.

"**Nominating Rights Agreements**" means the nominating rights agreements between us and the Selling Shareholders as described under the section of this prospectus titled "Relationships with the Selling Shareholders".

"**Non-Compete Agreement**" has the meaning ascribed to it under the section of the prospectus titled "Relationships with the Selling Shareholders".

"**Notice Date**" has the meaning ascribed to it under "Description of Securities Being Distributed — Advance Notice Procedures and Shareholder Proposals".

"**NP 58-201**" means National Policy 58-201 — *Corporate Governance Guidelines*, as amended.

"**OBP**" means on-board processing.

"**OCEPB**" means the Orientation and Continuing Education Program for the Board.

"**Offered Share**" means each Common Share offered pursuant to this prospectus.

"**Offering**" means this initial public offering of Offered Shares, including the Offered Shares sold by the Selling Shareholders, if any, upon the exercise of the Over-Allotment Option.

"**Offering Price**" means the price of $ ● per Offered Share.

"**OGC**" means Open Geospatial Consortium.

"**Order Bookings**" means the dollar sum of fully executed contracts for the supply of our products and/or services to our customers received during a defined period of time.

"**Over-Allotment Option**" means the option granted by the Selling Shareholders to the Underwriters, exercisable at the sole discretion of the Underwriters, in whole or in part, for a period of 30 days after the Closing, to purchase up to an additional ● Common Shares for the purpose of covering all of the Underwriters' over-allocation position, if any, and for market stabilization purposes.

"**Over-Allotment Shares**" means the additional ● Common Shares which may be sold by the Selling Shareholders pursuant to the Over-Allotment Option.

"**Price to the Public**" means ● .

"**PSUs**" mean performance share units under the Share Unit Plan.

"**Resident Holder**" has the meaning ascribed to it under the section of the prospectus titled "Certain Canadian Federal Income Tax Considerations."

"**RRIF**" means a registered retirement income fund as defined in the Tax Act.

"**RRSP**" means a registered retirement savings plan as defined in the Tax Act.

"**RSSSA**" means the *Remote Sensing Space Systems Act*.

"**RSUs**" mean restricted share units under the Share Unit Plan.

"**S-AIS**" means Satellite Automatic Identification System.

"**SaaS**" means Software-as-a-Service.

"**SAMSA**" means South African Maritime Safety Authority.

"**Second Generation Constellation**" means the planned 58 S-AIS payloads to be hosted on-board Iridium NEXT pursuant to the Harris Agreement.

"**Selling Shareholders**" means COM DEV and Hisdesat, collectively.

"**SDP**" means spectrum de-collision processing.

"**Share Unit Plan**" means our share unit plan adopted by our Board effective as of the Closing.

"**Share Units**" mean share units under our Share Unit Plan or Deferred Share Unit Plan, as applicable, consisting of RSUs, PSUs and DSUs.

"**Shareholders**" mean holders of the Common Shares.

"**SOLAS**" means the United Nations Safety of Life at Sea Convention.

"**SRT**" means Software Radio Technology plc, a UK-based leading provider of Class B AIS transponders and its affiliates.

“**Stock Option Plan**” means the stock option plan adopted by the Board effective as of the Closing.

“**Subscription Revenue**” means the dollar sum of fully executed contracts for our products and/or services to our customers that are subscription-based, typically sold with a one year period of service and recognized in our “Subscription Services” segmented revenue.

“**Subsidiary**” means exactEarth Europe Ltd., our wholly-owned subsidiary incorporated under the laws of England and Wales.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder.

“**Tax Proposals**” has the meaning ascribed to it under the section of the prospectus titled “Certain Canadian Federal Income Tax Considerations”.

“**Tier 3**” means a data processing center whose requirements include multiple independent distribution paths serving the IT equipment, non-redundant capacity components, IT equipment that is dual-powered and fully compatible with the topology of a site’s architecture and concurrently maintainable site infrastructure with expected availability of 99.982%, as defined by the Telecommunications Industry Association (a trade association accredited by the American National Standards Institute).

“**TFSA**” means any tax-free savings account as defined in the Tax Act.

“**Treasury Offering**” means the offering of Treasury Shares by the Company pursuant to this prospectus.

“**Treasury Shares**” means the Common Shares offered by the Company pursuant to this prospectus.

“**TSX**” means the Toronto Stock Exchange.

“**TT&C**” means telemetry, tracking and command.

“**Underwriters**” means Canaccord, CIBC World Markets Inc., GMP Securities L.P. and Paradigm Capital Inc., collectively.

“**Underwriters’ Fee**” means the cash fee equal to ● percent (● %) of the gross proceeds of the Offering, or $ ● per Offered Share payable to the Underwriters at Closing pursuant to the terms of the Underwriting Agreement.

“**Underwriting Agreement**” means the underwriting agreement among us, the Selling Shareholders and each of the Underwriters dated ● , 2015.

“**VHF**” means very-high frequency.

“**VMS**” means Vessel Monitoring Systems, a vessel tracking system used primarily for tracking specific groups of ships or fleets.

“**VTS**” means Vessel Tracking Systems a term we use for the monitoring of all shipping close to shore using a variety of technologies.

PROSPECTUS SUMMARY

An investor should read the following summary together with the more detailed information regarding us contained in this prospectus, including the risk factors and the annual and interim consolidated financial statements and notes thereto included elsewhere in this prospectus. Unless otherwise indicated, the information in this prospectus assumes no exercise of the Over-Allotment Option.

Our Business

We are a leading provider of global maritime vessel data for ship tracking and maritime situational awareness solutions. Since our establishment in 2009, we have pioneered a powerful new method of maritime surveillance called Satellite-AIS ("**S-AIS**") and have delivered to our clients a view of maritime behaviours across all regions of the world's oceans that is unrestricted by terrestrial limitations. We have deployed an operational data processing supply chain with our First Generation Constellation, receiving ground stations, patented decoding algorithms and advanced Big Data processing and distribution facilities. This ground-breaking system provides a comprehensive picture of the location of AIS equipped maritime vessels throughout the world and allows us to deliver data and information services characterized by high performance, reliability, security and simplicity to large international markets.

Our business is built around our ability to detect AIS transmissions from space. S-AIS has grown to become an important component of global ship tracking and vessel behaviour analysis, and has contributed to many aspects of managing the environment of the world's oceans. Some applications of our services include vessel management, border security, trade monitoring, route analysis and environmental protection.

We deliver our AIS messages on either a recurring subscription or single payment basis, depending on the nature of the service. Subscription-based services comprised 80% of our revenue in fiscal year 2014. We have also begun to diversify our offerings into value-added services. We provide our raw data through our Data-as-a-Service ("**DaaS**") offerings, meta-data and analytics through our Information-as-a-Service ("**IaaS**") products and software platforms through our Software-as-a-Service ("**SaaS**") offering, which allows us to customize our data to suit the needs of our customers. Through this diversification of products and services, we provide what management believes is the most advanced location-based information on maritime traffic available today.

We primarily serve government and commercial markets interested in the movement of maritime vessels. Our government customers include defense, intelligence and security, search and rescue and other government agencies such as space agencies. Our commercial customers operate in sectors which include commercial fishing; business intelligence and risk management; port management; commercial offshore (oil and gas); commercial shipping; hydrographic and charting and other academic and research institutions.

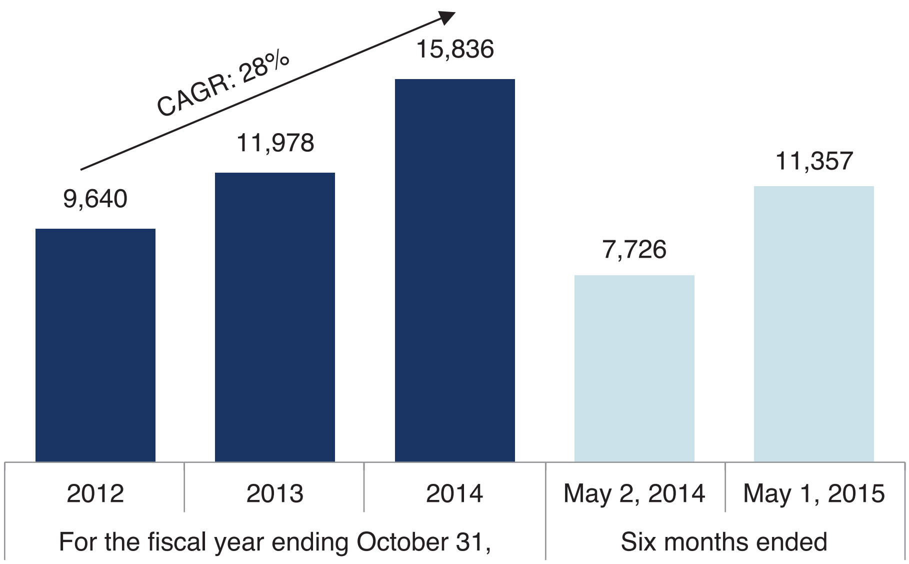
We have grown our product offering from an initial single raw data service to eight additional services and we have grown to serve over 100 subscription customers. Some of our government customers include the Canadian Space Agency, the Canadian Department of Defence, the United States Coast Guard, the Australian Customs and Border Protection Service, the Argentinian Coast Guard and the South African Maritime Safety Authority.

The Harris Agreement, announced on June 8, 2015 enables the deployment of the Second Generation Constellation by giving us access to Harris' S-AIS payloads to be hosted on-board Iridium NEXT. This agreement further bolsters our space coverage and increases AIS message frequency. Under this agreement, Harris has the exclusive right to sell AIS data and products sourced from the First Generation Constellation and the Second Generation Constellation to U.S. Government customers and we have the exclusive right to sell such AIS data and products to all other markets. We and Harris have agreed to share our respective AIS product revenue with each other as set forth in the Harris Agreement. Management believes that the Harris Agreement will allow us to reach a significantly broader group of U.S. Government customers, and in turn, increase our revenues from this market. See "Business of the Company — U.S. Government Customers and Market", "Business of the Company — Second Generation Constellation", and "Risk Factors" for more information regarding the Harris Agreement.

As of the date of this prospectus, we have 60 employees including 51 employees in Canada and 9 employees internationally.

We have experienced significant historical revenue growth. From the 12-month period ended October 31, 2012 to the 12-month period ended October 31, 2014, our revenue has grown at a CAGR of 28%. The following charts show our consolidated revenue (i) for our fiscal years ending October 31, 2012, 2013 and 2014, and (ii) for the three and six-month periods ended May 2, 2014 and May 1, 2015.

Consolidated Revenue
(in C$ millions)



See "Our Business — Business Overview".

Industry Overview

The global maritime information market is dedicated to providing data, information and applications needed to better understand events occurring in the maritime environment. In particular, users of maritime information are seeking to ensure safety at sea, improve productivity and efficiency in maritime operations, ensure regulatory compliance, improve situational awareness, provide scientific and survey data, and monitor the environment for suspicious or illegal activities. Concerns over human trafficking, maritime border security, piracy and environmental impacts (from such activities as dumping or oil spills) are increasing the need for accurate, timely information to monitor maritime shipping activities globally.

Euroconsult, an independent strategic research firm that we engaged to provide a Survey of the Maritime Information Market, broadly splits the range of technology, software, and applications into four segments:

- **AIS:** terrestrial- and space-based systems designed to collect maritime traffic information and related value-added services, in order to detect ships using very-high frequency ("**VHF**") maritime transmitters.
- **Other (than AIS) Vessel Tracking** — all other vessel tracking services mainly comprise long-range identification and tracking ("**LRIT**"), primarily used by countries to track their flag-country ships, vessel monitoring systems ("**VMS**"), used to track fishing vessels, principally to enforce fishing quotas and licenses, and other radars and imagery technologies used in coastal and port vessel tracking systems ("**VTS**") used to generically track all maritime traffic along important areas of coastline.
- **Maritime Information Provision** — includes a variety of activities which aim to provide data to the maritime community collected through different technologies and sources including, but not limited to in-field sensors, buoys, drones and ship registries.

- **Maritime Information Analytics** — provides solutions and software to analyze maritime data and generate analysis in order to aid decision making processes for maritime stakeholders.

Euroconsult estimates the global maritime information market generated almost US$880 million in revenue in 2014. With the increasing demand and continuous investment and improvements in service quality, Euroconsult estimates the market will grow to over US$2.1 billion by 2024, representing a 9% CAGR from 2014.

We primarily operate in the AIS sector of the global maritime information market. Euroconsult estimates that the total AIS market value, including both satellite- and terrestrial-based solutions, was approximately US$42.7 million in 2014 and it expects it to grow significantly in the next ten years to US$163 million by 2024, implying a CAGR of 14% over such period.

The AIS market will be driven mainly on the supply side from more terrestrial AIS networks, particularly in developing countries, and an increase in S-AIS supply from a higher density of satellite coverage, more efficient detection technologies, and improved AIS transponders allowing for better signal detection. On the demand side, given the availability of more AIS data in the future, allowing for reliable tracking and the expected diversification of value-added services, Euroconsult expects the AIS market to attract a growing number of customers, and consequently to grow by more than 200% in the next ten years and reach close to 1,300 customers by 2024. As well, Euroconsult expects the average expenditure by customers to progressively increase due to the growth and proliferation of value-added services.

We continue to expand our service offering and are looking to serve customers outside of the maritime market. Specifically, our growth plans contemplate an expansion into the advanced connectivity of objects, devices, systems and services in the wider machine-to-machine ("**M2M**") market, more broadly encompassed by the Internet of Things ("**IoT**") market. Machina Research estimates that global M2M revenue will grow to $1.2 trillion by 2022, representing a CAGR of approximately 22% from $200 billion in 2013.

See "Our Business — Industry Overview".

Our Competitive Strengths

We believe that the following key competitive strengths have allowed us to build and maintain our leading market position:

Our patented and proprietary technology allows us to deliver best-in-class S-AIS capabilities

We have developed advanced digital signal processing capabilities focused on the reception and resolution of high volumes of low-powered, uncoordinated signals in space. This technology has allowed us to develop superior S-AIS ship tracking capabilities, which deliver the most comprehensive maritime dataset, covering incrementally more maritime vessels and offering the highest fidelity tracking of ships across the globe. This technology exists both in the form of patents and trade secrets and has allowed us to develop a technique for tracking small vessels using lower-powered AIS transponders with a high detection rate — a capability we believe is unique to us.

Our premium service offering positions us as the market leader in S-AIS maritime tracking with a trusted brand and reputation

Management believes we provide the premier maritime surveillance service to the S-AIS market as measured by first-pass detection performance. In a typical seven-day period, we track approximately 165,000 AIS-equipped vessels.

In addition, we have what we believe to be the largest and most complete global archive of ship behaviours over the last five years, with more than 6.5 billion S-AIS data records archived. This archive contains a comprehensive view of the movements of AIS-equipped global fleet over the last five years. Since we commenced commercial operations in 2009, we have tracked more than 300,000 unique vessels. This capability is further enhanced by our patented capability to track small vessels in the open ocean utilizing a new class of specially modified Class B AIS transponders. We anticipate that with this added capability, our addressable market will increase to more than one million vessels by 2020.

The recent announcement of the Second Generation Constellation on-board Iridium NEXT pursuant to the Harris Agreement is expected to produce service performance and reliability levels superior to what is available in the market for S-AIS systems today. It is expected to deliver even higher detection performance than our current system, producing real-time capability for S-AIS vessel tracking that further distances us from our competition and increases our potential in the wider traditional ship tracking market. In addition, this will allow us coverage of the entire maritime VHF band, and not just the AIS frequencies, thus allowing for the development of other VHF-based vessel data services.

Strong global customer base utilizing our services primarily with subscription based revenues

We currently have a customer base of more than 100 global subscription customers and have more than a 70% share of the commercial S-AIS data services market. Approximately 80% of our revenue as of October 31, 2014 was in the form of annual service subscription revenues from these customers. Since our inception we have focused heavily on securing the government market for AIS data services and as of May 31, 2015, we provide AIS data services to more than 80 government agencies in 42 countries around the world. This strong government customer set provides an excellent reference base both for securing additional government customers and to upsell additional data services to this customer base. Select customers include Canadian National Department of Defence, Australia Maritime Safety Authority, South African Maritime Safety Authority, Argentina Coast Guard, Argentina Navy, Spanish Navy, US Coast Guard, and US Border Protection.

There are significant barriers to entry with large investments required to compete

There are significant barriers to entry for would-be competitors with respect to the capabilities that we are delivering to the market. The provision of a satellite system requires lengthy regulatory spectrum and license filings and associated capital expenditures and deployment periods. Additionally, our signal processing detection technology is protected by patents and requires the availability of a significant level of signal processing capacity. The implementation of such a capability requires either that the full spectrum received by the satellite is sent to the ground for processing, which requires a higher level of licensed spectrum for downlinking, or it requires a large spacecraft platform with sufficient power and mass available to support this level of processing, such as Iridium NEXT.

Management believes it would be very difficult and expensive for any competitor to duplicate the unique attributes of Iridium NEXT (given the number of orbiting satellites, its high power, stable orbits and inter-satellite links for real-time capability) which we will be utilizing to produce the Second Generation Constellation maritime data services. This new platform will provide high detection performance, real-time and full maritime VHF frequency band coverage. Due to the low frequencies involved in these VHF maritime and S-AIS data services, it is not technically feasible to support these services from geostationary orbit satellites, without very large antennas, which would be a costly and unproven approach.

We employ a proven management team and expert technical staff

Our management team collectively has more than 100 years of experience in LEO satellite and geospatial data services. Our management team has taken our business to positive EBITDA performance in less than five years. In addition, our technical staff has developed world-leading expertise in S-AIS technology, service operations and the associated digital signal processing technology. Our team has developed and deployed the global satellite, ground station, data networks and data processing infrastructure required for our business. Our team has also developed the DaaS and IaaS products utilized in developing our global market and customer base for S-AIS data services.

See "Our Business — Our Competitive Strengths".

Product Capabilities

We have grown from our initial single raw data service product offering into nine separate and distinct product offerings and we now serve approximately 250 customers, including approximately 100 subscription customers. We divide our products and services into three segments: Subscription Services, Data Products and Other Products and Services.

exactAIS®

Our exactAIS product, both the original and premium version thereof, is a subscription data service providing customers with a continuous data feed which distributes AIS messages received from ships all over the globe organized using our patented detection and de-collision technology.

We offer a premium version of our exactAIS product, where we combine our S-AIS data with terrestrial AIS data from our partner Genscape's global coastal AIS network. This allows us to provide detailed coverage close to ports, as well as a global view covering ocean areas beyond the sight of the coastline.

exactAIS Geospatial Web Services™

exactAIS Geospatial Web Services ("**GWS**") translates raw AIS data into readable ship-related information and delivers this data in a more generic environment. This product caters to customers who do not have the existing systems or capabilities to store and process the large amounts of data from our raw AIS data feed.

exactEarth ShipView™

exactEarth ShipView is a modern web-based viewing tool that allows users to access the ship information derived from our AIS data sources within an easy-to-use mapping environment.

exactAIS Trax™

exactAIS Trax collects encoded AIS information from small vessels equipped with the Class B AIS transponder, developed in conjunction with SRT. This service delivers data which augments the information collected by our regular AIS and GWS data services, providing additional vessel behaviour insight and integration with existing operational systems, as the reports are delivered in the same recognizable formats as traditional AIS data.

Information Services

We have begun to offer our customers value-added Information-as-a-Service offerings based on Big Data analytics and our processing of the raw AIS data being received through our exactView processing chain. These services can be broadly split into three initial categories: (i) Positional Anomaly Services; (ii) Knowledge Attributes; and (iii) Voyage History and Behavioural Reports.

exactAIS Archive™

We have been collecting operational AIS data from the exactAIS service dating back to July 5, 2010. Our archive of information now includes over 6.5 billion S-AIS messages.

exactAIS Density Maps™

We have developed a simpler, summary view of the information contained in our archive to allow a wider breadth of customers to understand the potential value of such an extensive historical data set. By offering this service we remove the complexity, time and effort of turning millions of AIS messages from our historical archive into individual geospatial maps and deliver an information service that is easily consumed and understood by the simplest of customer information technology systems.

See "Our Business — Product Capabilities and Applications".

Growth Strategy

Build upon our market leading position as the premier supplier of S-AIS maritime data

Management believes that our recently announced Harris Agreement and the associated Second Generation Constellation hosted on-board Iridium NEXT will produce real-time service level capability for S-AIS and VHF maritime services that is significantly advanced from any service offering available today and will be clearly seen as the leading capability in this market segment. Management intends to leverage this capability to maintain our market leadership position and to further grow the market for S-AIS data services.

Expand our maritime market reach to new customers and applications not currently served by S-AIS

Our growth plan involves the expansion of the maritime information market into areas which do not currently utilize AIS or maritime VHF data services. We will continue developing our maritime information services to expand into the more traditional ship tracking markets. Management believes that our low-cost alternative to traditional tracking methods and systems will help us capture new customers in markets such as the traditional VMS used in commercial fishing and also to capture customers in other fleet management tracking applications currently served by conventional satcom-based tracking technologies.

Increase sales by capturing additional datasets which will drive additional service offerings

We believe that we can leverage our existing infrastructure, storage and processing systems to collect and distribute other maritime related information which we are not currently capturing to our customer base. Decision making in the maritime market requires combining inputs from myriad large data sources such as ship details, history, ownership, insurance risk, cargoes and crew details. Storage and integration of such data is an expensive and complicated challenge and we believe we can offer services in this area to deliver individual information services tailored to our customers.

Utilize advanced data analysis capabilities in order to deliver additional value-added services

With a continuously growing data archive spanning five years, we have developed a comprehensive view of the world's shipping movements. Our infrastructure has been designed to support this archive, and interface with complex analysis engines that will allow us to provide powerful, real-time insight and alerting services to our customers. We are innovating ways to record and store individual and group behaviours and deduce normal shipping behavior which provides us with a basis for detecting abnormal vessel movements and allows us to verify the validity of positioning information within AIS messages. This Big Data approach will allow us to provide customers with specific answers to questions about vessel behaviour and pattern analysis.

Expand our addressable market beyond the maritime market and into the "Internet of Things"

Our technology allows for the detection of low-power, uncoordinated radio transmissions. By leveraging our existing intellectual property and expertise, we believe that our technology can be further evolved to allow the satellite detection of low-power, low-cost radio tags which could enable a much broader satellite tracking and data acquisition market.

Expand our global sales channel network

We intend to rapidly expand our channel partner network in commercial markets such as insurance and risk management, logistics, and financial trading services as well as to expand our network in non-government markets, namely the oceans research, and the illegal, unreported and unregulated fishing markets.

We also intend to develop an e-commerce sales channels both directly and through large geospatial communities, which would enable customers to easily purchase data products and information services online, enabling 24/7 sales.

Further invest in a Customer Service strategy to reinforce our reputation for quality service

We provide our partners and customers with access to comprehensive online knowledge databases and customer support technicians. We also deploy our technicians on-site to facilitate the integration of our data and services with customers' applications. We intend to expand this capability and develop an associated technical consulting capability as our market and product line expand in order to maintain a high level of customer service and support as part of our customer retention and brand strategy.

Pursue a disciplined acquisition strategy

We intend on targeting either complementary maritime information products, which will broaden our offering, or companies with an international presence that can provide us with additional channels to markets that we currently underserve. Although we have no agreement or commitment with respect to any acquisition at this time, we have identified a number of opportunities that may be actionable in the short- to medium-term.

See "Our Business — Growth Strategy".

THE OFFERING

Issuer:	exactEarth Ltd.
Selling Shareholders:	COM DEV International Ltd. and Hisdesat Servicios Estratégicos, S.A.
Offering:	● Treasury Shares If the Over-Allotment Option is exercised, up to an aggregate of ● additional Common Shares will be sold by the Selling Shareholders under the Offering. See "Plan of Distribution".
Offering Price:	$ ● per Offered Share It is currently anticipated that the Offering Price will be between $10.00 and $12.00 per Offered Share.
Over-Allotment Option:	The Selling Shareholders have granted the Underwriters the Over-Allotment Option exercisable for a period of 30 days from the Closing Date to purchase up to ● Over-Allotment Shares (representing 15% of the Treasury Shares offered hereby) at the Offering Price to cover over-allocations, if any, and for market stabilization purposes. The Common Shares to be purchased upon the exercise of the Over-Allotment Option will be sold by the Selling Shareholders on a pro rata basis.
Common Shares outstanding before the Offering:	11,111,111 Common Shares after giving effect to the Capital Reorganization (but excluding any Common Shares that may be issued upon exercise of options). See "Options to Purchase Securities".
Common Shares Outstanding Immediately After the Offering:	● Common Shares
Use of Proceeds:	The net proceeds to be received by us from the Treasury Offering are estimated to be approximately $ ● , after deducting the Underwriters' Fee estimated to be $ ● and estimated offering expenses of $ ● , payable by us. We intend to use the net proceeds received by us from the Treasury Offering to repay approximately $44 million of loans owing by us to COM DEV and Hisdesat, with the remainder for new product development, improvements in infrastructure, sales and marketing and working capital and general corporate and administrative purposes. See "Use of Proceeds". We will not receive any of the proceeds from the sale of Common Shares, if any, by the Selling Shareholders pursuant to the Over-Allotment Option, if exercised. The Selling Shareholders have agreed to pay the Underwriters' Fee in respect of any Common Shares sold in connection with the Over-Allotment Option, but will not pay any expenses of the Offering in connection therewith as the incremental costs are not material. The Selling Shareholders are responsible for any and all legal fees and expenses incurred by legal advisors retained by the Selling Shareholders. See "Principal and Selling Shareholders" and "Use of Proceeds".
Lock-up Arrangements:	We expect our executive officers, directors, employees and the Selling Shareholders to enter into agreements pursuant to which such parties will agree, subject to certain exceptions, not to sell Common Shares or securities convertible or exchangeable into Common Shares (or announce any intention to do so) for a period commencing on the Closing Date and ending (i) in the case of executive officers, directors and employees, on the date which is 180 days after the Closing Date; and (ii) in the case of the Selling

Shareholders, 12 months after the Closing Date, subject to certain exceptions. See "Plan of Distribution".

Dividend Policy: We have not paid dividends to the holders of our Common Shares to date. Dividends may be paid if and when operational and financial circumstances permit. See "Dividend Policy".

Risk Factors: An investment in our Common Shares is subject to a number of risks, including operational risks, actual commercial service lives of our satellites, launch failures and failure to reach planned orbital locations, insurance, uninsured risks and insurance against satellite-related losses, replacement cost of a satellite at the end of its service life, delay of satellite launches, risks associated with the capabilities of Iridium NEXT being greater than our existing capabilities, risks related to Iridium having priority over the Second Generation Constellation, risks associated with our inability to control various aspects of Iridium NEXT, risks related to revenue sharing, decision-making and co-ownership of intellectual property rights under the Harris Agreement, co-ownership of data, non-competition and exclusivity provisions under the Harris Agreement, risks related to the termination of the Harris Agreement, revenue targets, risks associated with our history of losses, failure of ground operations, failure due to unforeseen technical problems, operator error or orbital collisions, unused orbital locations, hardware and software defects, infringement of intellectual property rights, failure to protect our intellectual property rights, dependence on third party contractors, reliance on certain relationships with third parties, competition, technological changes, changing customer requirements, reliance on a limited number of customers and government contracts, political change and regulations, current and future global financial conditions, ability to raise adequate capital, software errors, security risk, dependence on the Internet, indemnifications and guarantees, risks related to future acquisitions, dispositions and strategic transactions, failure to manage growth, dependence on an increasing share of a growing market, reliance on key employees, risks related to global operations, foreign currency risk, interest rate risk, credit risk, liquidity risk, fluctuation of revenue and operating results, taxes, accounting estimates, litigation, use and protection of personal information, risks related to operating in a regulated industry, environmental, legal and regulatory compliance, provisions of Canadian law as they relate to acquisition of control of us by a non-Canadian entity, risks related to Canadian and UK sanction laws, our reliance on resellers, agents and suppliers in other jurisdictions to obtain and abide by laws of foreign jurisdictions, dividends, the interest of significant shareholders, future sales of Common Shares by Locked-Up Parties, risks related to the Lock-Up Agreements, potential volatility of Common Share price, dilution, discretion in the use of proceeds, absence of a prior public market, market discounts, risks related to financial reporting and other public company requirements, the additional regulatory burden as a public company, changes in accounting and tax rules (whether expected or unexpected). See "Risk Factors" and the other information included in this prospectus for a discussion of the risks that an investor should carefully consider before deciding to invest in the Offered Shares.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets out selected consolidated financial information for the periods indicated. The selected financial information as at October 31, 2014 and 2013 and for the financial years ended October 31, 2014, 2013 and 2012 has been derived from our audited consolidated financial statements and related notes appearing elsewhere in the prospectus. Our audited consolidated financial statements appearing elsewhere in this prospectus have been audited by Ernst & Young LLP. Ernst & Young LLP's report on these consolidated financial statements is included elsewhere in this prospectus.

We end our quarter on the last Friday of every quarter, regardless of whether that day is the last calendar day of the month, resulting in a floating period end. The selected financial information as at May 1, 2015 and for the six month periods ended May 1, 2015 and May 2, 2014 has been derived from our unaudited interim condensed consolidated financial statements and related notes appearing elsewhere in the prospectus. The unaudited interim condensed financial statements have been prepared on a basis consistent with our audited consolidated financial statements. In the opinion of management, such unaudited financial statements reflect all adjustments necessary for a fair presentation of the results for those periods.

The selected consolidated financial information should be read in conjunction with our annual and interim consolidated financial statements and the related notes, and with "Management's Discussion and Analysis", "Consolidated Capitalization", "Capital Reorganization" and "Use of Proceeds" included elsewhere in this prospectus.

	Year ended October 31,			Six months ended	
	2014	**2013**	**2012**	**May 1, 2015**	**May 2, 2014**
	(In thousands of Canadian dollars, except per share amounts)				
Consolidated Statement of Comprehensive Loss					
Revenue	$ 15,836	11,978	9,640	$ 11,357	$ 7,726
Cost of revenue	7,696	6,644	7,453	5,134	3,760
Gross margin	8,140	5,334	2,187	6,223	3,966
Gross margin %	*51.4%*	*44.5%*	*22.7%*	*54.8%*	*51.3%*
Operating expenses					
Selling, general and administrative	5,426	4,410	4,504	3,477	2,618
Research and development	54	138	190	31	23
Product development	928	650	710	701	409
Restructuring charges	—	96	365	—	—
Depreciation & amortization	4,737	4,151	2,222	2,737	2,200
Loss from operations	(3,005)	(4,111)	(5,804)	(723)	(1,284)
Other income	(78)	(409)	—	—	(80)
Other expense	5	51	40	148	4
Foreign exchange loss (gain)	108	3	29	267	(155)
Interest expense	665	357	60	667	337
Loss before income taxes	(3,705)	(4,113)	(5,933)	(1,805)	(1,390)
Income tax expense	—	—	—	—	—
Net Loss	$ (3,705)	(4,113)	(5,933)	$ (1,805)	$ (1,390)
Foreign currency translation adjustments	(50)	(12)	—	(55)	(96)
Comprehensive loss	(3,755)	(4,125)	(5,933)	(1,860)	(1,486)
Net loss per share					
Basic and diluted	$ (0.33)	$ (0.37)	$ (0.53)	$ (0.16)	$ (0.13)
Weighted average number of Common Shares outstanding					
Basic and diluted	11,111,111	11,111,111	11,111,111	11,111,111	11,111,111

	As at October 31, 2014	As at October 31, 2013	As at May 1, 2015
	(In thousands of Canadian dollars)		
Consolidated Statement of Financial Position			
Cash and cash equivalents	$ 2,403	$ 1,615	$ 3,462
Trade receivables	2,826	2,500	2,970
Other current assets	2,431	842	2,230
Property, plant and equipment	40,858	41,624	42,878
Intangible assets	14,370	12,000	14,102
Total assets	62,888	58,581	65,642
Accounts payable and accrued liabilities	5,342	2,489	4,873
Deferred revenue	977	367	707
Current portion of long-term debt	256	37	553
Long-term debt	31,781	27,578	36,432
Long-term profit sharing plan liability	176	—	582
Total liabilities	38,532	30,471	43,147
Total shareholders' equity	24,356	28,110	22,495
Total liabilities and equity	62,888	58,581	65,642

INDUSTRY OVERVIEW

The Global Maritime Information Market

Over 70% of the surface of the earth is covered by navigable waters (whether large bodies of water such as oceans and seas, or smaller bodies of water such as lakes and rivers). According to the International Chamber of Shipping, the international shipping industry is responsible for the carriage of approximately 90% of world trade.

The global maritime information market is dedicated to providing data, information and applications needed to better understand events occurring in the maritime environment. In particular, users of maritime information are seeking to ensure safety at sea, improve productivity and efficiency in maritime operations, ensure regulatory compliance, improve situational awareness, provide scientific and survey data, and monitor the environment for suspicious or illegal activities. Concerns over human trafficking, maritime border security, piracy and environmental impacts (from such activities as dumping or oil spills) are increasing the need for accurate, timely information to monitor maritime shipping activities globally.

Euroconsult, an independent strategic research firm that we engaged to provide a Survey of the Maritime Information Market, broadly splits the range of technology, software, and applications into four segments:

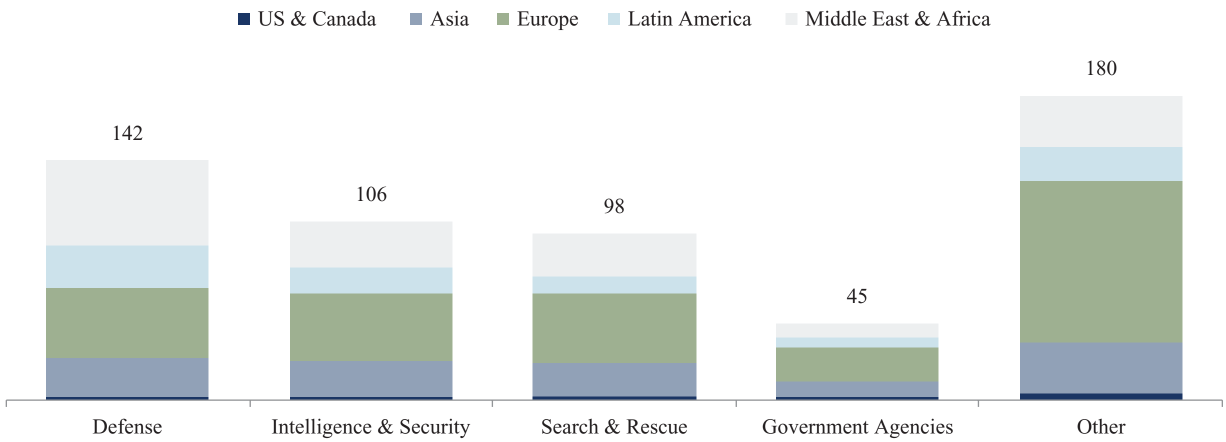
- **AIS:** terrestrial- and space-based systems designed to collect maritime traffic information and related value-added services, in order to detect ships using VHF maritime transmitters.
- **Other (than AIS) Vessel Tracking** — all other vessel tracking services mainly comprise LRIT, primarily used by countries to track their flag-country ships, VMS, used to track fishing vessels, principally to enforce fishing quotas and licenses, and other radars and imagery technologies used in coastal and port VTS used to generically track all maritime traffic along important areas of coastline.
- **Maritime Information Provision** — includes a variety of activities which aim to provide data to the maritime community collected through different technologies and sources including, but not limited to in-field sensors, buoys, drones and ship registries.
- **Maritime Information Analytics** — provides solutions and software to analyze maritime data and generate analysis in order to aid decision making processes for maritime stakeholders.

The global maritime information market serves two wide categories of customers: government and commercial customers, which each contain several vertical market segments that utilize maritime information. Governments historically have been, and remain, the largest customers in this market while commercial customers have varying requirements for maritime data.

Government Markets

There are five primary government market verticals that use maritime information services: defense; intelligence and security; search and rescue, border patrol and maritime safety; government agencies; and other ministries and organizations.

Figure 1 — Number of Addressable Customers, Government Markets



Source: Euroconsult

Defense: As countries are investing in the modernization of their fleets and increasing battlefield situational awareness, maritime information services are expected to become an increasingly important investment to naval command and control.

Intelligence and Security: Agencies such as the Federal Bureau of Investigation, the Canadian Security Intelligence Service, Europol and others utilize maritime intelligence to defend their states against threats to security.

Search and Rescue, Border Patrol and Maritime Safety: This is generally controlled by the national coast guards of countries, which vary across nations from heavily armed military forces (such as the United States Coast Guard) to volunteer organizations (such as the Her Majesty's CoastGuard of the United Kingdom). Regardless of the role and capacity in which they operate, coast guards require maritime information mainly for security and search and rescue missions.

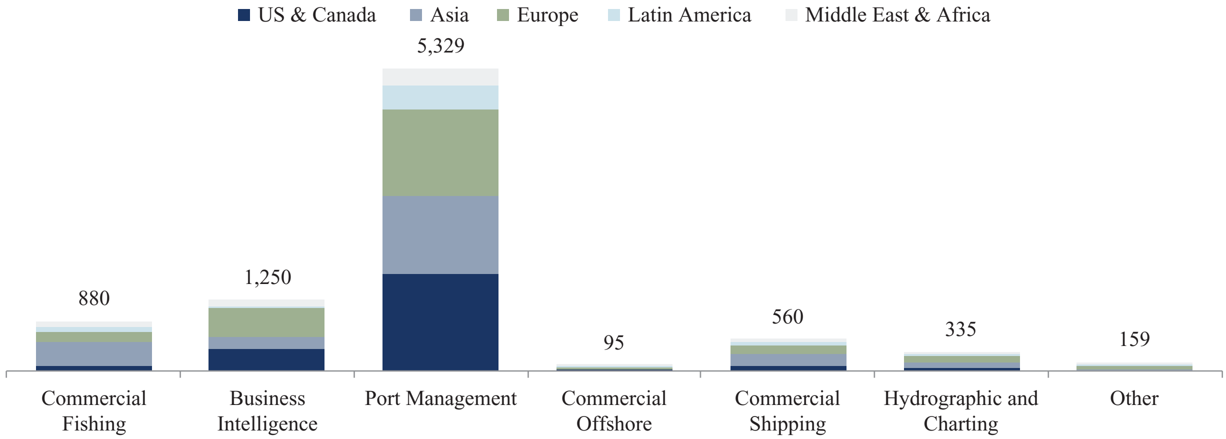
Government Agencies: Government agencies, including space agencies, utilize maritime intelligence for analytical purposes, to increase their maritime awareness and enhance their tracking abilities.

Other: Users include ministries (such as the Ministries of the Environment, Ministries of Transportation, and Ministries of Trade and Customs) and international organizations which might be responsible for maritime regulations or fishing activities.

Commercial Markets

There are seven primary commercial market verticals that use maritime information services: commercial fishing; business intelligence and risk management; port management; commercial offshore (oil and gas); commercial shipping; hydrographic and charting and other academic and research institutions.

Figure 2 — Number of Addressable Customers, Commercial Markets



Source: Euroconsult

Commercial Fishing: Maritime information allows for monitoring of fishing and licenses, enforcement of environmental standards and ensuring sustainability, among other functions. The global fishing vessel fleet comprises millions of vessels, the majority of which are in marine waters (far off-coast) and generally use low-powered AIS systems.

Business Intelligence: Consisting mainly of banks, trading companies, marine financers, insurers and logistics companies, who use maritime information to manage the risk related to ship operations and to understand the trade patterns of selected vessels.

Port Management: Requires maritime information to facilitate managing growing demand, increased cargo concentration and carbon footprints.

Commercial Offshore (Oil and Gas): The offshore market (primarily oil and gas) is committing significant investments in communications, tracking and maritime information in order to better manage their offshore operations.

Commercial Shipping: Satellite tracking and maritime information play an important role helping shipping companies optimize the route, speed and fuel costs of vessels.

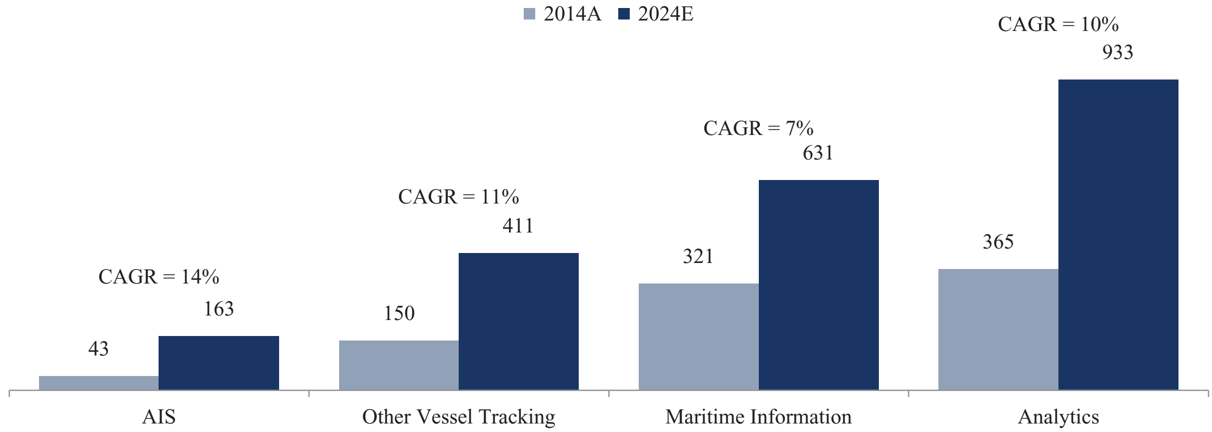
Hydrographic and Charting: Each coastal state is required to provide hydrographic and charting data which it can do directly through the national hydrographic service or in collaboration with a third-party maritime information provider.

Other: Universities, academic users and maritime research institutions use maritime information in their studies and reports.

Sizing the Global Maritime Information Market

As shown in Figure 3 below, Euroconsult estimates the global maritime information market generated almost US$880 million in revenue in 2014. With the increasing demand and continuous investment and improvements in service quality, Euroconsult estimates the market will grow to over US$2.1 billion by 2024, representing a 9% CAGR from 2014.

Figure 3 — Global Maritime Information Market Size (By Revenue in US$ millions)



Source: Euroconsult

We primarily operate in the AIS sector of the global maritime information market, and our products and services could cater to all twelve of the government and commercial customers described above.

The AIS Market

AIS is a system designed to collect maritime information in order to detect ships using VHF equipment. A ship's AIS transponder uses radio frequency electromagnetic waves to broadcast information to receiver devices on ships and land-based and space-based receiver systems. Information such as the ship's ID, position and direction can then be displayed on either radar or chart plotters. Originally designed to avoid vessel collisions, AIS has evolved and is used by end-users in order to improve their maritime situational awareness.

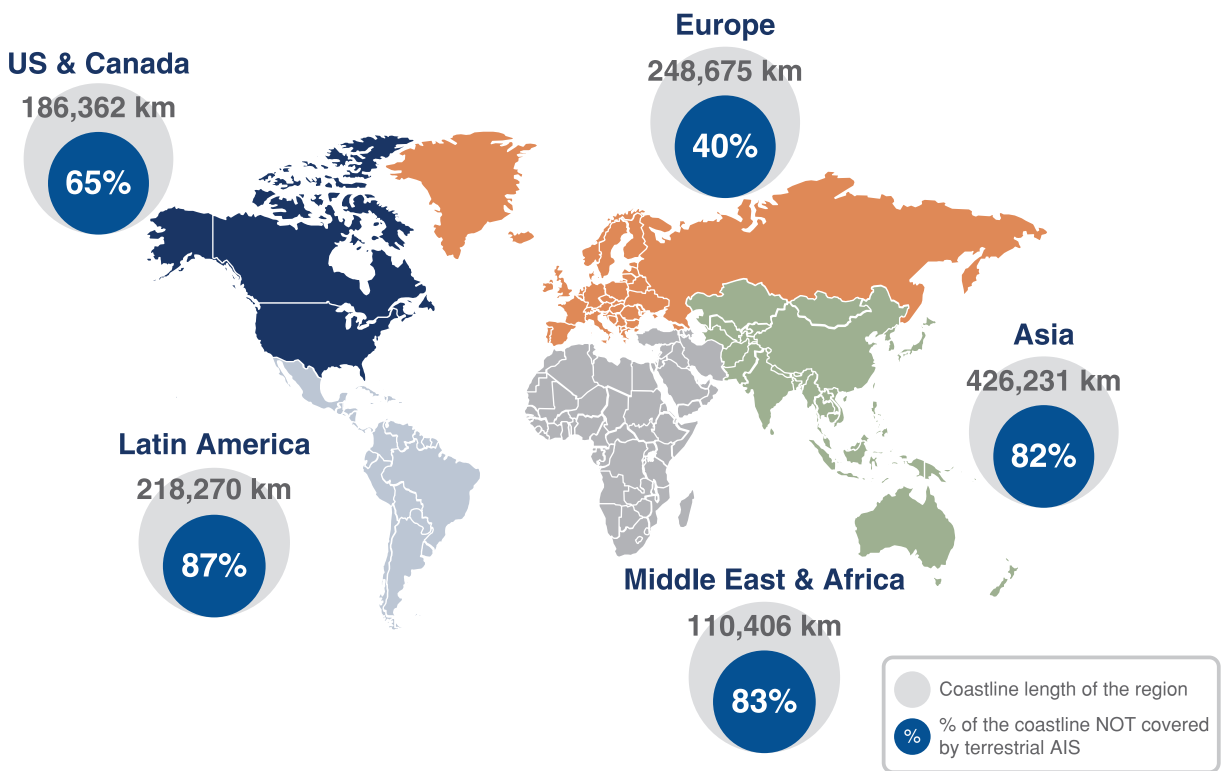
AIS devices are required internationally on most commercial vessels, as identified by the IMO pursuant to SOLAS. The vessels included in this regulation are those on international voyages weighing more than 300 GT, cargo ships of more than 500 GT (and not engaged on an international voyage), and all vessels carrying passengers, regardless of size. AIS can also be required at the national level on other vessels by national administrations, on their national waters. According to Euroconsult, the AIS system is currently used by approximately 140 countries worldwide.

AIS is mainly used for collision avoidance; however, a large number of other applications have emerged including: maritime surveillance; environmental protection; polar traffic monitoring; safety and security operations; anti-piracy and national waters regulations; logistics and optimization applications; and competitive analysis.

Terrestrial-based versus Satellite-based Systems

The large majority of coastal countries have installed terrestrial AIS stations on their coastlines. As of March 2015, there were approximately 1,800 coastal AIS stations in approximately 140 countries. The primary disadvantage of this system is that, since AIS signals travel in a straight line while ships follow the curvature of the Earth, it is limited to a monitoring range of approximately 50 nautical miles (or approximately 100 kilometres). It is also estimated that approximately 77% of the world's coastlines are not covered by terrestrial AIS.

Figure 4 — The Limitations of Terrestrial AIS Coverage



Source: Euroconsult

S-AIS greatly extends the range of traditional AIS as signals are sent and received from many kilometers above land and sea and therefore does not incur the same limitations in regards to the curvature of the earth. S-AIS allows for full coverage of waters (coastal and marine), providing its users with a more complete picture of maritime activity. Implementing S-AIS does not require ships to implement any additional hardware upgrades from the traditional AIS equipment.

There are two methods to detect S-AIS signals: on-board processing ("**OBP**") and spectrum de-collision processing ("**SDP**"). OBP does not require special processing and works well in very low-density areas. However, it may not be as effective in higher density areas due to signal collision. As such, when using OBP, a satellite may need to go over an area several times before it assembles a complete picture of vessels in the subject area. SDP is a process by which the satellite captures all signals from across the AIS radio frequency and then complex digital signal processing is applied to de-collide the signals back into the original AIS transmissions in an understandable and intelligible format. This method allows for the most ships to be detected in a single pass of a satellite over the subject area. A "**pass**" refers to a low earth orbiting ("**LEO**") satellite passing over any given point on the earth. The duration of a pass is typically 10 minutes or less.

The Current Market for AIS

AIS data is used by both government and commercial customers. Most of the early adopters of AIS were governmental maritime authorities who generally subscribed to purchasing raw AIS data. In order to better serve the remaining segments, service providers are introducing value-added services which customize solutions to the specific needs of their customers and end-users. In 2014, government customers represented approximately 20% of the total number of customers and more than 70% of the total AIS market value. However, with the development of value-added services, Euroconsult expects the number of commercial customers to increase going forward. In 2014, Euroconsult estimates that military, intelligence and security, and search and rescue were the three largest customer areas, representing more than 50% of the total market value.

Among commercial customers, the three largest users were commercial customers, port authorities, and oil and gas exploration companies, representing close to 25% of the total market value.

AIS data can be a valuable tool for each of the customer markets described above in this section. Below, we have outlined some examples of specific uses of AIS data in these markets.

Defense forces are interested in equipping their non-strategic fleets for real-time monitoring and detecting vessels both nationally and abroad.

Intelligence and security agencies are collecting large amounts of data, including AIS, to continuously improve the precision of their intelligence data.

AIS allows search and rescue, border patrol and maritime safety authorities to monitor their national waters and detect abnormal AIS messages in addition to complementing their other maritime surveillance and traffic monitoring systems. Other applications include anticipation of shipment arrivals and verification of goods entering countries.

Government agencies, including space agencies are working on satellite-based AIS projects and have a role in the specifications of AIS requirements at the national and regional levels.

Several ministries could be interested in AIS data for various reasons. For example, Ministries of the Environment could use the data for environmental regulation enforcement and protection of maritime areas and species. Ministries of Transportation could monitor vessels in national waters in order to adapt national infrastructure to the traffic patterns. Ministries of trade and customs are interested in the analysis of historical shipping vessel traffic.

Hydrographic and charting companies are interested in AIS to complement their offering, but it is not a part of their core business.

Ports are often facing congestion issues and try to improve their efficiency while providing a high level of safety and security, while being mindful of the environment. Port management can use AIS data to study traffic patterns and optimize the logistics of their port with detailed analysis of historical ship tracking information.

Commercial shipping companies use AIS to analyze various shipping routes and competition, plan passage to improve traffic congestion, and in combination with other weather and hydrographic data, optimize routes and thus reduce fuel consumption and costs.

Fisheries can use AIS data to provide real-time monitoring in fishing areas with vessel identification and to help control illegal fishing activities.

Logistics companies use AIS data to optimize routes and create precise schedules. Other financial and trading companies are interested in the global commodity flows for import and export analysis.

Offshore oil and gas companies use real-time AIS data to track and manage their fleet in real-time for process optimization. It is also used to monitor the traffic in proximity to submerged pipelines.

Maritime universities are interested in AIS data for analysis of the maritime environment, historical trends, and traffic evolution. However, they are not interested in real-time data and generally have limited budgets.

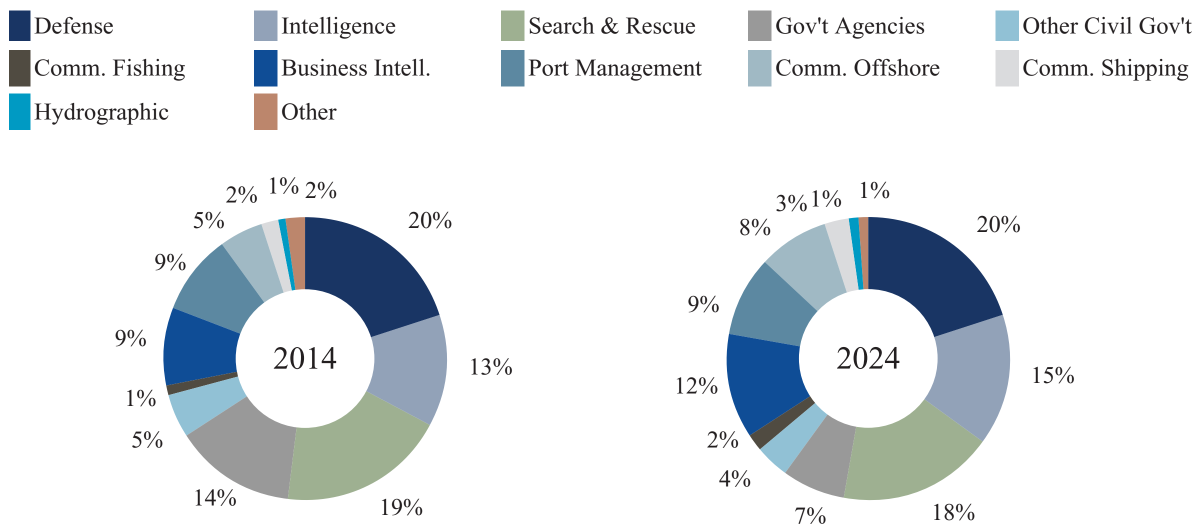
Market Forecast

Euroconsult estimates that the total AIS market value, including both satellite- and terrestrial-based solutions, was approximately US$42.7 million in 2014 and it expects it to grow significantly in the next ten years to US$163 million by 2024, implying a CAGR of 14% over such period.

The AIS market will be driven mainly on the supply side from more terrestrial AIS networks, particularly in developing countries, and an increase in S-AIS supply from a higher density of satellite coverage, more efficient detection technologies, and improved AIS transponders allowing for better signal detection. On the demand side, given the availability of more AIS data in the future, allowing for reliable tracking and the expected diversification of value-added services, Euroconsult expects the AIS market to attract a growing number of customers, and consequently to grow by more than 200% in the next ten years and reach close to

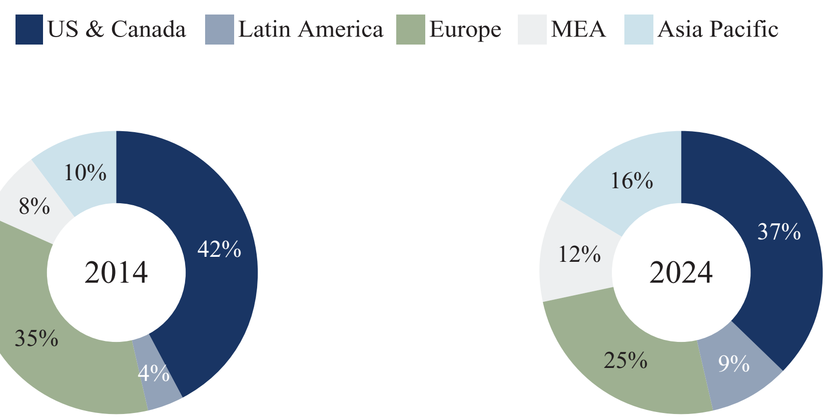
1,300 customers by 2024. As well, Euroconsult expects the average expenditure by customers to progressively increase due to the growth and proliferation of value-added services.

Figure 5 — AIS Market Size by Segment (% of Market)



Source: Euroconsult

Figure 6 — AIS Market Share by Region (% of Market)



Source: Euroconsult

Other Maritime Markets

Other Vessel Tracking

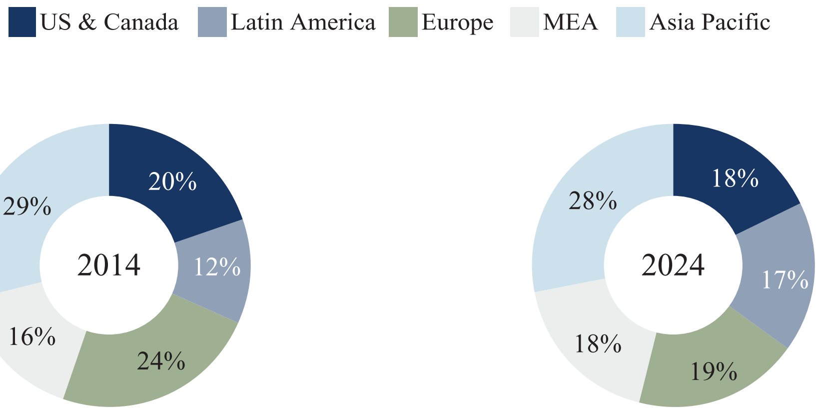
There are other ways to track vessels, including LRIT, VMS and radars and earth observation imagery (commonly implemented as part of overall VTS).

LRIT is a mandatory requirement under SOLAS under which most passenger ships, self-propelled mobile drilling units and cargo ships gauging 300 GT or more must report their position every six hours to a shore-based LRIT Center. This market is dominated by a few key operators and now covers all significant ship registries and maritime traffic.

VMS is used to track fishing vessels, principally to enforce fishing quotas and licenses. It can also be a safety tool where there is exposure to piracy or disputes over fishing and navigation rights. VMS is a legal obligation which requires ship owners to install and maintain a transponder and they are subject to severe penalties if they do not have them operational while at sea. The position data sent by VMS are received by monitoring centers maintained by the vessel's flag states, usually at the level of ministries of fisheries.

Other vessel tracking also includes radar and earth observation imagery. Although not stated as such in the Euroconsult report, these technologies are commonly implemented as part of an overall VTS. VTS is a marine traffic monitoring system established by harbour or port authorities, similar to air traffic control for aircraft. Typical VTS systems use radar, closed-circuit television, VHF radiotelephony and automatic identification systems to keep track of vessel movements and provide navigational safety in a limited geographical area.

Figure 7 — Other Vessel Tracking Market Share By Region (% of Market)



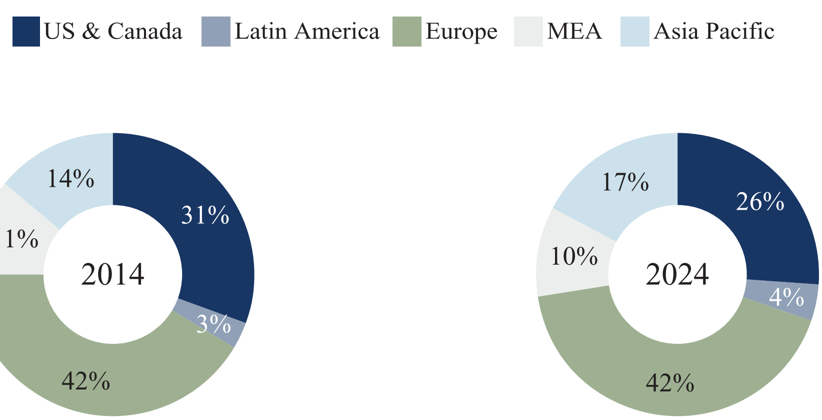
Source: Euroconsult

Maritime Information Provision Market

The maritime information provision market comprises a large variety of activities which aim to collect and analyze data for the following functions: maritime operations; logistics; maritime trade; risk management; port and terminals management; fleet capacity analysis and forecasts. Customers most interested in this market are commercial shipping and port stakeholders, offshore oil and gas companies, defense agencies and coast guards. Service providers in the maritime information market generally own proprietary methods to gather information, but there are three primary methods of data collection: documentation; networked sensors or survey vessels; and satellite-based remote sensing, AIS and other tracking.

Euroconsult estimates there are approximately 30 companies currently active in this market, with approximately 15 of them with US$1 million or greater each in annual revenue. The top 5 companies are estimated to control nearly 60% of the market share in terms of revenue.

Figure 8 — Maritime Information Market Share By Region (% of Market)

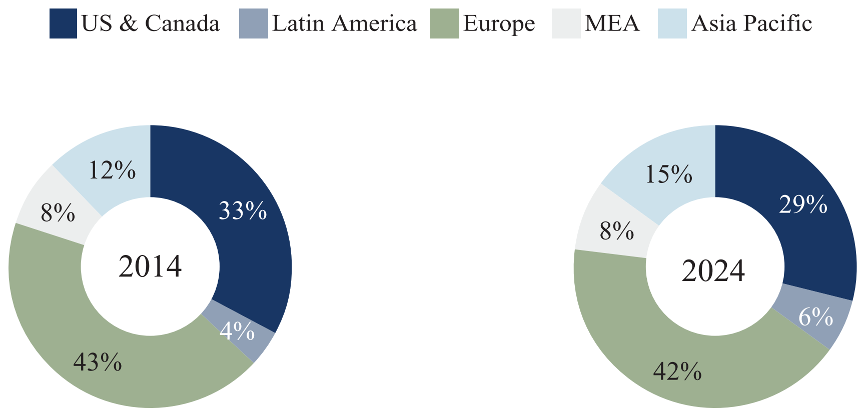


Source: Euroconsult

Maritime Information Analytics Market

The maritime information analytics market consists of aerospace and defence companies, geographic information systems providers and data analysis software and solutions providers. Data used in this segment to generate analytics product is collected through various technologies including AIS, radar, in-field sensors, and satellite earth observation. Applications in this market primarily consist of vessel monitoring, routing and reporting on suspected illegal activities.

Figure 9 — Maritime Analytics Market Share By Region (% of Market)



Source: Euroconsult

The M2M Market

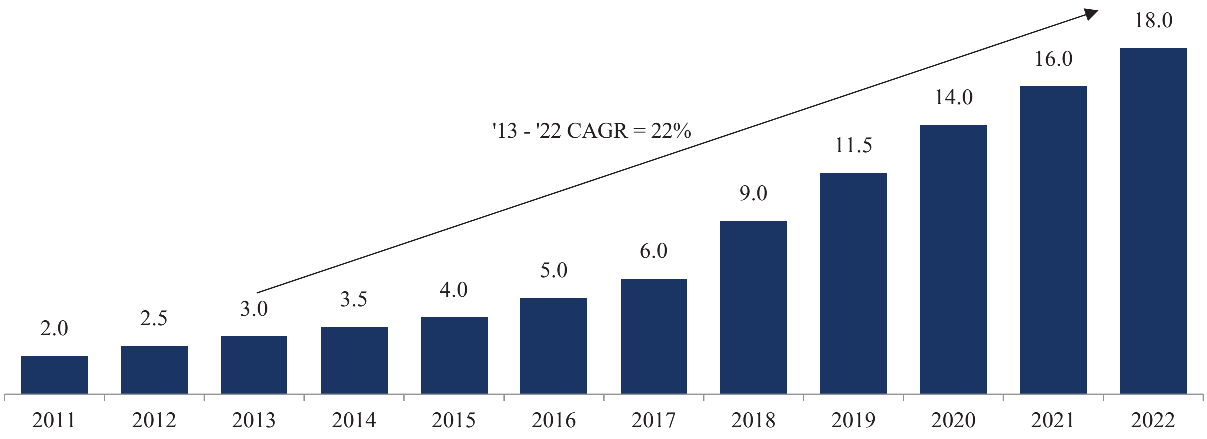
We continue to expand our service offering and are looking to serve customers outside of the maritime market. Specifically, our growth plans contemplate an expansion into the advanced connectivity of objects, devices, systems and services in the wider M2M market, more broadly encompassed by the IoT market.

The term M2M is used to describe technologies that enable devices to communicate with each other over both wireless and wired networks. New and innovative applications driving the growth in the M2M market include, but are not limited to logistics tracking; telemetry; remote monitoring; geo-fencing; security; scientific monitoring; and environmental monitoring. Low cost hardware is helping reduce costs for companies looking to introduce M2M in an environment where users are otherwise indifferent as to the type of technology but consider ease of use as a key driver.

In addition to the growing amount of new application areas for Internet connected automation, we expect IoT to generate large amounts of data from diverse locations requiring timely aggregation with an increased need for better indexing, processing and storage of such data. While many M2M companies tend to address specific industry verticals, for example, smart êmetering in the utilities sector, or fleet management in the transportation sector, it is expected there will be a shift towards companies pursuing broader, more horizontally-oriented addressable markets with solutions that operate across verticals.

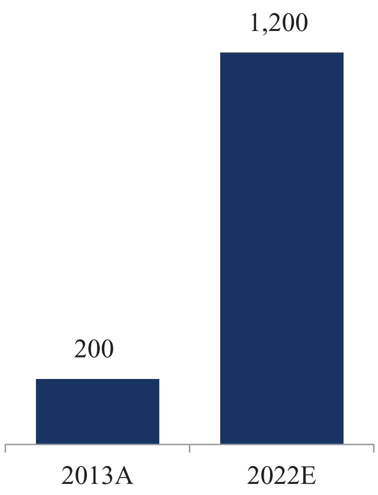
According to Machina Research, a technology consulting firm based in the United Kingdom, at the end of 2013, there were approximately 3 billion connected M2M devices worldwide and this number is estimated to grow at a CAGR of 22% to reach 18 billion connected M2M devices by 2022. Machina Research estimates that global M2M revenue will grow to $1.2 trillion by 2022, representing a CAGR of approximately 22% from $200 billion in 2013.

Global M2M Connections (in billions)



Source: Machina Research

Global M2M Revenue (in US$ billions)



Source: Machina Research

This projected double-digit growth is driven by the following market trends:

High Return on Investment — Companies that have tested M2M systems on a limited basis with successful results are now deploying on a larger scale. In addition, the success of one company drives adoption by competitors and makes M2M a requirement to remain competitive.

Lower Infrastructure Cost — A decline in the cost for basic sensor equipment has helped boost return on investment. According to IC Insights, a leading semi-conductor research company, as of 2013, average sensor prices declined 8% in the two previous years, which increased sales volumes by nearly 25%.

Higher Network Availability — Increases in mobile network coverage, higher bandwidth availability and more wireless spectrum being assigned to commercial use are increasing the degree of network availability. M2M service suppliers are now installing multi-mode terminals, utilizing both satellite and cellular/terrestrial networks.

Connecting all end devices is, and will continue to be, a significant emerging challenge as there is no single technology that can cover all possible devices. As a result, Machina Research forecasts M2M device connectivity splits between short range, cellular, wide-area fixed, metropolitan area networks and satellite technologies.

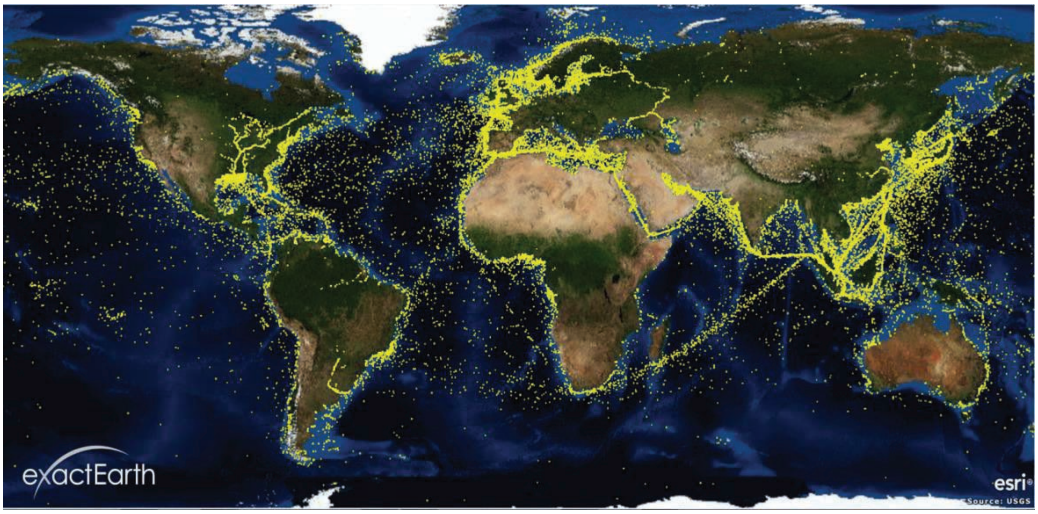
Beyond our maritime AIS data services, we have the opportunity to leverage our existing global infrastructure and distribution to become a provider of multiple data sets and value-added services. Our existing technologies can be expanded for use in the wider M2M market to capture and process M2M data. We have also identified the development of low-cost transponders for small vessel detection as an attractive market.

BUSINESS OF THE COMPANY

Our Company

We are a leading provider of global maritime vessel data for ship tracking and maritime situational awareness solutions. Since our establishment in 2009, we have pioneered a powerful new method of maritime surveillance called S-AIS and have delivered to our clients a view of maritime behaviours across all regions of the world's oceans that is unrestricted by terrestrial limitations. We have deployed an operational data processing supply chain with our First Generation Constellation, receiving ground stations, patented decoding algorithms and advanced Big Data processing and distribution facilities. This ground-breaking system provides a comprehensive picture of the location of AIS equipped maritime vessels throughout the world and allows us to deliver data and information services characterized by high performance, reliability, security and simplicity to large international markets.

exactEarth View of AIS-Equipped Maritime Vessels Globally



Source: exactEarth

Our business is built around our ability to detect AIS transmissions from space. S-AIS has grown to become an important component of global ship tracking and vessel behaviour analysis, and has contributed to many aspects of managing the environment of the world's oceans. Some applications of our services include vessel management, border security, trade monitoring, route analysis and environmental protection.

We deliver our AIS messages on either a recurring subscription or single payment basis, depending on the nature of the service. Subscription-based services comprised 80% of our revenue in fiscal year 2014. We have also begun to diversify our offerings into value-added services. We provide our raw data through our DaaS offerings, meta-data and analytics through our IaaS products and software platforms through our SaaS offering, which allows us to customize our data to suit the needs of our customers. Through this diversification of products and services, we provide what management believes is the most advanced location-based information on maritime traffic available today.

We primarily serve government and commercial markets interested in the movement of maritime vessels. Our government customers include defense, intelligence and security, search and rescue and other government agencies such as space agencies. Our commercial customers operate in sectors which include commercial fishing; business intelligence and risk management; port management; commercial offshore (oil and gas); commercial shipping; hydrographic and charting and other academic and research institutions.

We have grown our product offering from an initial single raw data service to eight additional services and we have grown to serve over 100 subscription customers. Some of our government customers include the Canadian Space Agency, the Canadian Department of Defence, the United States Coast Guard, the Australian Customs and Border Protection Service, the Argentinian Coast Guard and the South African Maritime Safety Authority.

We believe that we have a number of distinct competitive advantages which will serve as the key differentiating factors of our business:

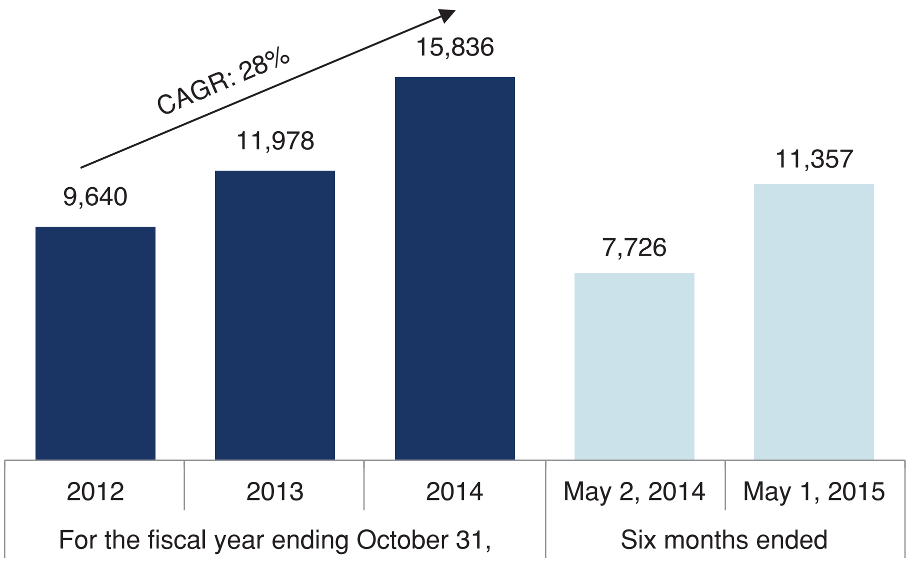
- A patented and proprietary technology which allows us to deliver best-in-class S-AIS capabilities;
- A premium service offering that positions us as a market leader in S-AIS;
- A strong global customer base which utilizes our services primarily on a subscription basis;
- Significant barriers to entry with large investments required to compete;
- A proven management team and expert technical staff; and
- A leading and trusted brand with a reputation for high quality services.

The Harris Agreement, announced on June 8, 2015 enables the deployment of the Second Generation Constellation by giving us access to Harris' S-AIS payloads to be hosted on-board Iridium NEXT. This agreement further bolsters our space coverage and increases AIS message frequency. Under this agreement, Harris has the exclusive right to sell AIS data and products sourced from the First Generation Constellation and the Second Generation Constellation to U.S. Government customers and we have the exclusive right to sell such AIS data and products to all other markets. We and Harris have agreed to share our respective AIS product revenue with each other as set forth in the Harris Agreement. Management believes that the Harris Agreement will allow us to reach a significantly broader group of U.S. Government customers, and in turn, increase our revenues from this market. See "Business of the Company — U.S. Government Customers and Market", "Business of the Company — Second Generation Constellation", and "Risk Factors" for more information regarding the Harris Agreement.

As of the date of this prospectus, we have 60 employees including 51 employees in Canada and 9 employees internationally.

We have experienced significant historical revenue growth. From the 12-month period ended October 31, 2012 to the 12-month period ended October 31, 2014, our revenue has grown at a CAGR of 28%. The following charts show our consolidated revenue (i) for our fiscal years ending October 31, 2012, 2013 and 2014, and (ii) for the three and six-month periods ended May 2, 2014 and May 1, 2015.

Consolidated Revenue
(in C$ millions)



We believe we can advance our business by building upon our market leading position as the premier supplier of S-AIS maritime data, expanding our maritime market reach to new customers and applications, increasing sales by capturing additional datasets which will drive additional service offerings, utilizing advanced data analysis capabilities in order to deliver additional value-added services, expanding our addressable market beyond the maritime market and into the IoT market, expanding our global sales channel network, further investing in a customer service strategy and pursuing a disciplined acquisition strategy.

History of the Company

In 2005, COM DEV first recognized that the AIS messages being transmitted by major ships could potentially be received from space, and that the resulting data would likely be valuable to a wide range of users since there was no practical means of tracking vessels on a worldwide basis at that time. COM DEV applied its expertise as a leading designer of space filtering technology to develop a unique solution for detecting low powered signals not originally intended to be captured by satellites.

COM DEV validated its AIS detection capability through aircraft trials in 2007 and launched a nano-satellite in April, 2008. While the nano-satellite has since become non-operational it demonstrated that COM DEV's proprietary de-collision process was capable of successfully collecting AIS signals from an LEO satellite. After a period of further technical validation, market analysis and business planning, we commenced commercial operations in June 2009.

In October 2009, we completed our first customer mandate where we successfully used our S-AIS technology to assist the Canadian Armed Forces and Department of Fisheries and Oceans in monitoring illegal, unregulated and unreported fishing activity in the Pacific Ocean.

In November 2009, we signed our first major agreement to provide S-AIS data with a non-government entity for a multi-year term. We also established a major component of our ground-based infrastructure through a long-term agreement with KSAT, a Norwegian company which provides ground station and earth observation services for polar orbiting satellites. Under this agreement, KSAT agreed to provide downlinking services at its SvalSat facility, located near Longyearbyen in Svalbard, Norway in order to capture data from our planned constellation of AIS satellites. SvalSat is the world's only established commercial station capable of downlinking on every satellite orbit. In December of that year, we signed our first government data service contract with the Danish maritime agency.

In June 2010, we completed commissioning our Toronto Data Processing Center and began our operational service collecting and storing AIS messages received in space, and delivering these through our processing chain to end customers.

In September 2010, Hisdesat acquired a 27% equity interest in the Company for a cash investment of approximately $15 million, with COM DEV retaining a 73% equity interest. Hisdesat is a major Madrid-based satellite operator and service provider that, at the time, sold data to more than 25 government customers around the world. This cash investment supported our on-going business operations and the deployment of additional space and ground infrastructure.

Between September 2010 and August 2011, we successfully launched two advanced AIS satellites and hosted AIS payloads designed to extend our constellation and increase the capacity of our global vessel monitoring service. These satellites incorporated advanced AIS payloads designed to further improve AIS message detection from space. In addition, during the same period, we leased signals from two other in-orbit satellites giving us a total operating capability of four satellite assets.

In May 2012, we released a new product, exactAIS Premium. This new service combined the data collected on our satellites with terrestrial-based stations operated by Vesseltracker GmbH based in Hamburg, Germany. exactAIS Premium delivered detailed tracking of AIS-equipped vessel movements and, at the time, offered users daily visibility of over 80,000 vessels worldwide.

In July 2012, we successfully launched our exactView-1 (EV-1) satellite aboard a Soyuz spacecraft launch vehicle. EV-1 carries an advanced AIS detection payload, which has significantly enhanced vessel detection and tracking performance and utilizes high-speed communications to frequently downlink information to our ground stations around the world. This increased our total satellite constellation to five assets.

In January 2013, we released our geospatial web service delivery capability. This represented our first product diversification away from a streaming data feed of AIS messages and presented users with an on-demand, DaaS access point to ship movement information that conformed to open standards for machine-to-machine communication.

In May 2013, we entered into a strategic collaboration agreement with Software Radio Technology plc ("**SRT**") aimed at optimizing the reception of transmissions from low-powered, low-cost AIS transponders (known as "**Class B**" transponders) from space. SRT is the leading provider of Class B AIS transponders, identifiers and other AIS-based products to the global market. Major vessels use Class A AIS transponders, while smaller vessels do not. The ability to reliably receive AIS transmissions from Class B transponders from space is expected to significantly increase the number of vessels being tracked and enable countries to significantly improve their vessel monitoring capabilities.

In June 2013, we opened our European data operations and applications development business in Harwell, U.K., through our Subsidiary. Later that year, our Subsidiary was awarded a multi-million dollar applications development contract by the ESA. In November 2013, we successfully launched another advanced AIS satellite. The addition of this spacecraft, and the elimination of the two satellites providing leased capacity from 2010, brought our constellation to four satellites.

In July 2014, we announced a strategic alliance with Genscape Inc., ("**Genscape**"), a leading real-time energy information supplier to commercial markets. Genscape, having acquired our existing partner who provided the use of certain terrestrial stations, currently provides what we believe to be the most extensive terrestrial AIS information available as well as expansive ship information.

Also in July 2014, we reached an agreement with the European Space Agency ("**ESA**") under which we and the ESA would co-fund a new advanced AIS satellite. Although the ESA has not expressed any official views as to its characterization of the agreement, the agreement allows us to provide S-AIS data services to the European Maritime Safety Agency ("**EMSA**") to support all of the European Union maritime agencies.

In December 2014, we announced the successful integration of three advanced in-orbit AIS satellites into our constellation pursuant to a contract under which we purchased one such satellite and exclusively licensed data from two more. The data from these three additional AIS satellites significantly increased the capacity of our global vessel monitoring service, expanded our constellation to its current total of seven satellites, and further enhanced our world-leading AIS message detection performance from space.

Our Shareholders

As of the date of this prospectus and up and until the Closing, we will be jointly owned by COM DEV (73%), based in Canada and Hisdesat (27%), based in Spain.

COM DEV has been a world leader in the design and manufacture of satellite subsystems for over 40 years. Their technology has reportedly been incorporated on more than 900 spacecraft, including over 80 percent of all commercial communications satellites ever launched. As a key supplier to virtually all of the world's satellite prime contractors, COM DEV has established a reputation for quality in an industry where reliable performance is an absolute imperative. For its fiscal year ended October 31, 2014, COM DEV reported that it earned annual revenues of $208 million and that it had over 1,200 employees at facilities in Canada, the United States, the United Kingdom, India and China.

Hisdesat was founded on July 17, 2001 as a government satellite services operator to act primarily in the areas of defense, security, intelligence and foreign affairs. Hisdesat has been providing secure satellite communications services to government customers in Spain and other Western-allied countries since 2001. Hisdesat specializes in the acquisition, operation and commercialization of systems orientated to space, with the purpose of providing strategic and communication services, for both civil and military applications. See "Principal and Selling Shareholders."

Our Business Model

Our business model was originally purposed to deliver AIS messages received in space to customers via a fast, secure, streaming data feed on an annual or multi-year subscription contract. The initial focus of our business was our customers' maritime domain awareness systems, including improved vessel management, scheduling, environmental protection, search and rescue operations, and defence and border securing applications. This subscription-based model remains a large part of our business accounting for 80% of annual revenue in fiscal 2014.

We also provide flexible models of Internet delivery based on open standard web services for the markets we serve who are not particularly interested in AIS, but are focused on general ship tracking. This model has allowed us to offer flexible pricing based on the number of vessels tracked and the amount of data consumed. This is one example of our DaaS offerings which allows us to lower the entry price to access our products as well as diversify our services to reach an increasing wider audience.

Furthermore, by transforming the AIS messages into a ship-centric format, we are now able to combine our AIS data with other data sources to process such data with Big Data analytic engines, and correspondingly provide services that deliver more insightful intelligence into ship movements and behaviours. We term this value-added model IaaS.

As data volumes continue to increase, we have identified the needs of many of our customers for a platform to offer access to this data via the Internet. In response, we deployed our ShipView product, an advanced map-based viewing platform accessible via the Internet, in April 2014. This is an example of our SaaS offering.

We have recently begun to mine and perform Big Data analytics on the AIS data being collected for our customers. We provide these value-added IaaS products on a subscription and recurring revenue basis.

Cost Structure

We have made significant investments in the past in the acquisition and launch of satellites, and the installation of ground stations and data processing equipment. For those ground stations that we do not own, we have entered into agreements where we pay a fixed amount in exchange for a set number of satellite passes (data downlinks). Our modern automation tools allow for a small number of employees to operate our infrastructure, including our satellites, ground stations and processing facilities.

The Harris Agreement, announced on June 8, 2015 significantly augments our current capacity by giving us access to Iridium NEXT. As part of this agreement, we will pay Harris certain fixed amounts which vary depending on the successful commissioning of the Second Generation Constellation. See "Business of the Company — Markets and Customers."

In relation to the historical investments already made in our First Generation Constellation, the expected payments to be made to Harris for the Second Generation Constellation, and the fixed nature of our employee and ground infrastructure costs, our operating costs are not expected to change significantly in relation to the ramp-up expected in the amount of data we intend to collect and process.

Products and Services

We have grown from our initial single raw data service product offering into nine separate and distinct product offerings and we now serve approximately 250 customers including approximately 100 subscription customers. We divide our products and services into three segments: Subscription Services, Data Products and Other Products and Services. With our AIS data set, we are able to answer many questions that our customers may ask regarding maritime information, including but not limited to questions with respect to: maritime security and unusual or illegal behaviour, search and rescue and emergencies; arrival times at various port authorities and related delays; customs and the transport of unusual cargo; source and value of cargo; length of the ship journey and final destination; insurance in the event of unplanned routes or unanticipated risks; and environmental compliance.

Subscription Services

exactAIS®

Our exactAIS product, both the original and premium version thereof, is a subscription data service providing customers with a continuous data feed which distributes AIS messages received from ships all over the globe organized using our patented detection and de-collision technology. exactAIS enhances maritime domain awareness with the highest levels of technical capability, secure distribution of information and a commitment to service quality.

We offer a premium version of our exactAIS product, where we combine our S-AIS data with terrestrial AIS data from our partner Genscape's global coastal AIS network. This allows us to provide detailed coverage close to ports, as well as a global view covering ocean areas beyond the sight of the coastline.

The exactAIS service provides the following AIS message content:

Message Categories	Example Contents
Position Reports	• Transponder ID (MMSI) • GPS Position • Course • Speed • Rate of Turn
Static/Voyage Reports	• Transponder ID (MMSI) • Name • IMO Number • Call Sign • Length • Destination • Cargo • Estimated Time of Arrival
Aids to Navigation (AtoNs)	• AtoN ID (MMSI) • Type • GPS Position • Status
Search and Rescue Aircraft	• Transponder ID (MMSI) • Name • GPS Position • Altitude • Speed
Safety	• Text messages related to safety broadcasts
Binaries	• Encoded messages

exactAIS Geospatial Web Services™

Raw AIS messages are important and well understood in certain market segments, with existing systems and infrastructures already in place to readily accept and use them. However, in other maritime related sectors where customers wish to receive information about ship movements and behaviours, AIS is not well understood. In such instances, the raw AIS data needs to be transformed into understandable ship-related information and delivered in a more generic information technology environment. Additionally, in these new markets, the customer infrastructure is not necessarily in place to receive and process very large volumes of data being continuously streamed and consequently an on-demand service is required. Interoperability of both systems can often be a bottleneck, particularly with respect to geospatial (mapping), hampering the integration of new data sources, such as S-AIS.

exactAIS GWS translates raw AIS data into readable ship-related information and delivers this data in a more generic environment. This product caters to customers who do not have the existing systems or capabilities to store and process the large amounts of data from our raw AIS data feed. This is an example of our value-added DaaS business.

exactAIS GWS is a customizable, on-demand data distribution model that allows users to easily access and integrate near real-time ship information into their existing geospatial mapping platforms such as Esri and Google Earth. exactAIS GWS returns maritime vessel information on-demand to a customer in response to a query using standard web service protocols across the Internet. For example, rather than stream all AIS messages for a region to a customer system, a customer could use exactAIS GWS to return ship movement information specifically for tankers in open oceans that are travelling at speeds of less than 5 knots, which could be an indication of a vessel in distress.

exactAIS GWS is certified to Open Geospatial Consortium ("**OGC**") standards, which ensures compatibility with all major mapping systems, exactAIS GWS offers a web services solution that allows instant access to ship information in an on-demand M2M IT environment.

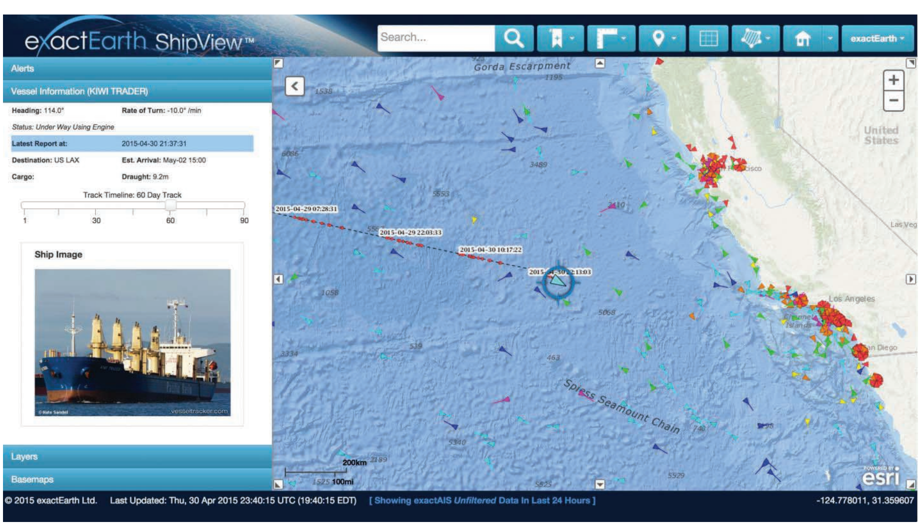
exactEarth ShipView™

exactEarth ShipView is a modern web-based viewing tool that allows users to access the ship information derived from our AIS data sources within an easy-to-use mapping environment. This is an example of one of our SaaS offerings, as our data is made available through any browser or modern mobile device with familiar map navigation tools, making navigation simple and intuitive. This is an example of our SaaS offerings.

ShipView provides users with online access to live ship tracking information along with 90-days of historical information which helps users to better understand traffic patterns and behaviours. Users are able to create custom views based on simple or complex rules and groups to quickly enhance situational awareness and improve the decision making process. Filters and rules may be set, which invoke our alerting engine to notify the user when these rules are broken.

Other features of ShipView include single line searching similar to popular search engines allowing users to find ships by any attribute name, such as Flag, or destination. Once information of interest has been identified, users may download relevant ship data and the ability to add external map layers allows for seamless interoperability.

exactEarth ShipView Product



Source: exactEarth

exactAIS Trax™

exactAIS Trax collects encoded AIS information from small vessels equipped with the Class B AIS transponder, developed in conjunction with SRT. This service delivers data which augments the information collected by our regular AIS and GWS data services, providing additional vessel behaviour insight and integration with existing operational systems, as the reports are delivered in the same recognizable formats as traditional AIS data. This is an example of one of our DaaS offerings.

Information Services

We have begun to offer our customers value-added Information-as-a-Service offerings based on Big Data analytics and our processing of the raw AIS data being received through our exactView processing chain. These services can be broadly split into three initial categories: (i) Positional Anomaly Services; (ii) Knowledge Attributes; and (iii) Voyage History and Behavioural Reports.

Positional Anomaly Services detects and reports on suspicious and/or erroneous AIS location messages based on advanced digital processing of the true behaviour and movements of the vessels regardless of the abnormal information being transmitted. Such services are of particular interest to our customers in the surveillance and security markets. We produce daily reports for our customers on such behaviours and anomalies on a subscription basis.

Knowledge Attributes is a term we use for the information that we derive from new and interesting aspects of ship behaviour. This extra information is stored and delivered to customers as additional knowledge. Ship rendezvous, ships stopping in open ocean, and ships deviating from shipping lanes are all examples of value-added information in the form of Knowledge Attributes that are being made available, on a subscription basis, to customers.

We also have the ability to provide Voyage History and other Behavioural Reports across many market sectors and this is a rapidly growing part of our IaaS platform. Such reports range from providing information on all ships heading towards a particular location, along with estimated times of arrivals, ships transiting or encroaching a specific area of ocean, or historical look-backs to the ports visited by selected ships over a period of time, and additional information on the amount of time spent in each port. We have provided ship lists of those vessels in the vicinity of cable breaks and oil spills to aid in the identification of potentially responsible parties, and also reports on particular activities such as fishing. As our Big Data analytical capabilities improve, we see the potential for more complex reports to be produced to serve wider user communities.

Data Products

exactAIS Archive™

We have been collecting operational AIS data from the exactAIS service dating back to July 5, 2010. Our archive of information now includes over 6.5 billion S-AIS messages. Management believes the exactAIS archive represents the most complete record of maritime vessel movements on a global scale. With access to this archive, customers can exploit the rich exactAIS dataset to gain improved historical insight and knowledge in their maritime areas of interest. This is an example of one of our DaaS offerings.

exactAIS Density Maps™

Customers may not have the expertise or processing capabilities to fully review our extensive and growing archive without assistance. As a result, we have developed a simpler, summary view of the information contained in our archive to allow a wider breadth of customers to understand the potential value of such an extensive historical data set. By offering this service we remove the complexity, time and effort of turning millions of AIS messages from our historical archive into individual geospatial maps and deliver an information service that is easily consumed and understood by the simplest of customer information technology systems. This is an example of one of our DaaS offerings.

exactEarth Density Map

Source: exactEarth

Other Products and Services

We have leveraged our leading position in the commercialization of AIS to generate income from special projects with governments and space agencies to research methods and applications around the S-AIS business. We see this continuing as our ability to collect ever more detailed and sophisticated AIS data increases.

As we develop our ability to mine and process the S-AIS data, we also find customers requesting specific analysis and reporting contracts. We see this consultancy services business growing into the future.

Business Strengths and Competitive Advantages

We believe that the following key competitive strengths have allowed us to build and maintain our leading market position:

Our patented and proprietary technology allows us to deliver best-in-class S-AIS capabilities

We have developed advanced digital signal processing capabilities focused on the reception and resolution of high volumes of low-powered, uncoordinated signals in space. This technology has allowed us to develop superior S-AIS ship tracking capabilities, which deliver the most comprehensive maritime dataset, covering incrementally more maritime vessels and offering the highest fidelity tracking of ships across the globe. This technology exists both in the form of patents and trade secrets and has allowed us to develop a technique for tracking small vessels using lower-powered AIS transponders with a high detection rate — a capability we believe is unique to us. We believe that with further evolution of this technology, it can be applied to the more general application of tracking and sensor data aggregation via satellite utilizing suitably designed very low power and very inexpensive tags as part of the much broader IoT market. It is our intention to further develop our core technology with this goal in mind.

Our premium service offering positions us as the market leader in S-AIS maritime tracking with a trusted brand and reputation

We have a strong heritage and brand which we have built over the last five years by focusing on our core capability and delivering quality service to our customers. We have become widely recognized as a leading focused S-AIS data service provider. As a result, we have become a market leader in the development and education of the S-AIS market.

Management believes we provide the premier maritime surveillance service to the S-AIS market as measured by first-pass detection performance. In a typical seven-day period, we track approximately 165,000 AIS-equipped vessels. In a typical day, we receive approximately 8 million AIS messages.

In addition, we have what we believe to be the largest and most complete global archive of ship behaviours over the last five years, with more than 6.5 billion S-AIS data records archived. This archive contains a comprehensive view of the movements of AIS-equipped global fleet over the last five years. Since we commenced commercial operations in 2009, we have tracked more than 300,000 unique vessels. This capability is further enhanced by our patented capability to track small vessels in the open ocean utilizing a new class of specially modified Class B AIS transponders. We anticipate that with this added capability, from the estimated 11 million total global marine vessels, our addressable market will increase to more than one million vessels by 2020.

We have also expanded our service offerings from raw data provision to value-added information services, including IaaS and DaaS delivery. These services are designed around flexible standards-based delivery methods ensuring ease of implementation and therefore rapid deployment to consistently grow and retain our customer base and position ourselves in the larger markets relating to Maritime Information and Analytics.

We have also taken a leadership role in industry and regulatory standards evolution in such organizations as the IMO, the International Association of Marine Aids to Navigation and Lighthouse Authorities, the Radio Technical Commission for Maritime Services and the Open Geospatial Consortium. Management believes our brand has become synonymous with high-quality product and customer service. Management believes we are viewed as the market leader in terms of revenue, market share and number of customers, and also recognized as an AIS Centre of Excellence with a broad range of AIS technical and operational expertise.

Our services are also characterized by high-quality service levels. We have provided a continually operating, highly reliable service with greater than 99% uptime in service availability over our 5 years of operation. In addition, we provide 24/7 customer service from a dedicated team of product experts.

The recent announcement of the Second Generation Constellation on-board Iridium NEXT pursuant to the Harris Agreement is expected to produce service performance and reliability levels superior to what is available in the market for S-AIS systems today. It is expected to deliver even higher detection performance than our current system, producing real-time capability for S-AIS vessel tracking that further distances us from our competition and increases our potential in the wider traditional ship tracking market. In addition, this will allow us coverage of the entire maritime VHF band, and not just the AIS frequencies, thus allowing for the development of other VHF-based vessel data services.

Strong global customer base utilizing our services primarily with subscription based revenues

We currently have a customer base of more than 100 global subscription customers and have more than a 70% share of the commercial S-AIS data services market. Approximately 80% of our revenue as of October 31, 2014 was in the form of annual service subscription revenues from these customers. Since our inception we have focused heavily on securing the government market for AIS data services and as of May 31, 2015, we provide AIS data services to more than 80 government agencies in 42 countries around the world. This strong government customer set provides an excellent reference base both for securing additional government customers and to upsell additional data services to this customer base. Select customers include Canadian National Department of Defence, Australia Maritime Safety Authority, South African Maritime Safety Authority, Argentina Coast Guard, Argentina Navy, US Coast Guard and US Border Protection.

There are significant barriers to entry with large investments required to compete

There are significant barriers to entry for would-be competitors with respect to the capabilities that we are delivering to the market. The provision of a satellite system requires lengthy regulatory spectrum and license filings and associated capital expenditures and deployment periods. Additionally, our signal processing detection technology is protected by patents and requires the availability of a significant level of signal processing capacity. The implementation of such a capability requires either that the full spectrum received by the satellite is sent to the ground for processing, which requires a higher level of licensed spectrum for downlinking, or it requires a large spacecraft platform with sufficient power and mass available to support this level of processing, such as Iridium NEXT.

Management believes it would be very difficult and expensive for any competitor to duplicate the unique attributes of Iridium NEXT (given the number of orbiting satellites, its high power, stable orbits and inter-satellite links for real-time capability) which we will be utilizing to produce the Second Generation Constellation maritime data services. This new platform will provide high detection performance, real-time and full maritime VHF frequency band coverage. Due to the low frequencies involved in these VHF maritime and S-AIS data services, it is not technically feasible to support these services from geostationary orbit satellites, without very large antennas, which would be a costly and unproven approach.

We employ a proven management team and expert technical staff

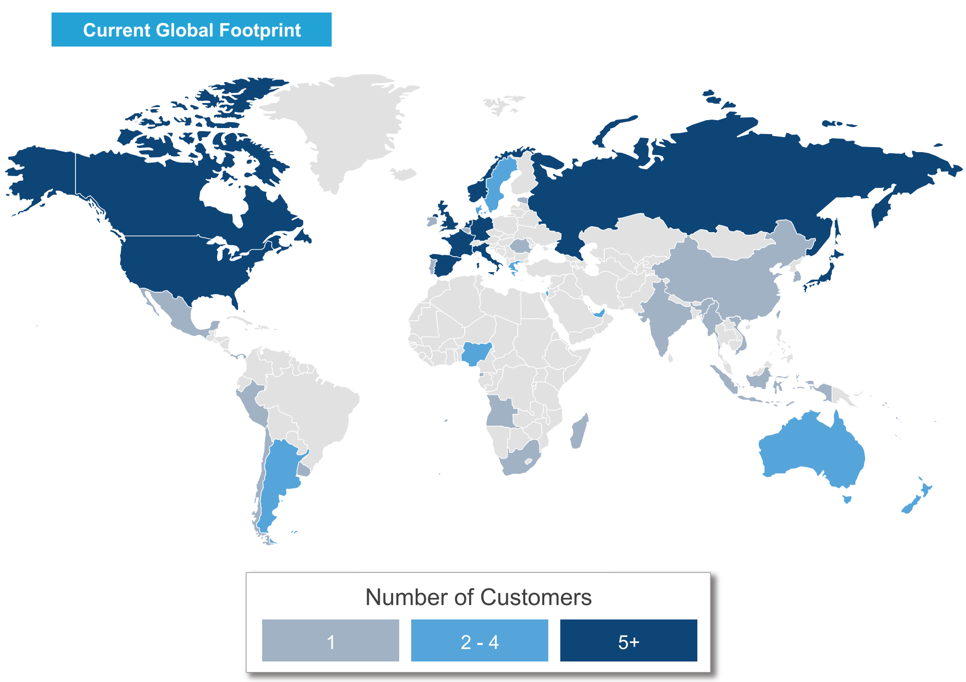
Our management team collectively has more than 100 years of experience in LEO satellite and geospatial data services. Our management team has taken our business to positive EBITDA performance in less than five years. In addition, our technical staff has developed world-leading expertise in S-AIS technology, service operations and the associated digital signal processing technology. Our team has developed and deployed the global satellite, ground station, data networks and data processing infrastructure required for our business. Our team has also developed the DaaS and IaaS products utilized in developing our global market and customer base for S-AIS data services.

Markets and Customers

We primarily service three market segments: Government (excluding the U.S. Government), Commercial and U.S. Government, which are further outlined in our Market Overview. Our Government markets (including the U.S.) contributed 77% and our Commercial markets contributed 23% of our fiscal 2014 revenues. Since we began commercial operations, we have retained over 90% of our government customers.

In general we serve our customers using a mix of direct sales, third-party resellers, and channel partners, which comprised approximately 51%, 38%, and 11% of our sales for the 12 months ended May 1, 2015. Direct sales are a result of our own internal sales team efforts, while resellers employ their own sales force. Channel partners sell our products under their own brand names and may augment our product offering or offer additional support related services.

We sell to the Government market (excluding the U.S. Government) directly using a mix of direct sales and third-party resellers. For the commercial market segment, we seek to distribute our data through channel partners such as Genscape/VesselTracker. Under the recently announced Harris Agreement, Harris has the exclusive right to sell our products to the U.S. Government Market.



Government Customers and Markets (excluding U.S.)

As the primary source for S-AIS data delivery, we have more approximately 250 global customers, ranging from national governments, to coast guards, to individual merchant fleet operators. To date, a large portion of our business serves government customers, to whom we supply data services for a variety of critical operations under a number of government contracts around the world. Below, we have outlined some of our key government relationships.

Canada

The Canadian Government was our largest customer in fiscal 2014. Since establishment, they have remained an important and major customer to us and we continue to provide our S-AIS data to them on an ongoing basis. Below, we have outlined some of our major contracts with the Canadian Government to demonstrate our long-term client relationship and continued delivery of quality service.

In February 2010, we signed a contract to provide S-AIS data to the Canadian Space Agency (the "**CSA**"). At the time, the newly collected data for this Canadian government contract represented the first use of our new multi-million dollar, highly secure DPC in Toronto that had just become operational.

In March 2011, following an open competitive tender, the CSA awarded us a Standing Offer to provide S-AIS data sets. Under the term of the contract, we supply an operational data feed to the Marine Security Operation Centre ("**MSOC**"). The data is available for all Government of Canada agencies and departments and has been used to support security and surveillance, environmental and fisheries protection and enforcement, Arctic monitoring and search and rescue events. Additionally, large quantities of exactAIS historic data have been procured and delivered to the CSA. The historical data sets are widely used for vessel traffic analysis and modeling that includes measuring trade efficiency, emergency response and pollution monitoring.

In September 2014, we were awarded a major contract by the Government of Canada to continue to provide extensive advanced S-AIS data services through to the end of March 2016. Under the new contract our full exactAIS data service is made available to all Canadian government departments for a wide range of applications including but not limited to wide-area maritime surveillance and security, customs and border protection, Arctic vessel traffic monitoring, fisheries and environment monitoring as well as search and rescue. Management believes the Government of Canada will procure a continuation of this service on market terms at the end of this contract period.

NATO

In June 2012, we secured an important contract with the North Atlantic Treaty Organization ("**NATO**") for the provision of S-AIS data to NATO (and certain divisions thereof) who provide specialist maritime expertise and help preserve peace and security to Alliance Member States. The contract award was the result of a competitive bid among providers of S-AIS data services.

South Africa

South Africa's proximity to some of the world's busiest shipping lanes and its vast area of search and rescue responsibility make effective maritime surveillance a high priority.

Our initial involvement with the South African Maritime Safety Authority ("**SAMSA**") commenced with an operational evaluation in 2010. We were pleased to contribute to security efforts associated with the 2010 FIFA World Cup tournament with the supply of our exactAIS data service to SAMSA, which was later successfully integrated into SAMSA's operational maritime systems.

In October 2011, we entered into a long term contract with SAMSA to supply our exactAIS service into the Centre for Sea Watch and Response, which is responsible for maritime situational awareness across the South Africa search and rescue region. This service has enabled SAMSA to provide enhanced search and rescue support for vessels requiring assistance, and for other various maritime operational needs.

Australia

The Australian Maritime Safety Authority ("**AMSA**") is tasked with ensuring the safety of, and providing other services to, the Australian maritime industry. With exactAIS data, AMSA now has access to a complete maritime picture as it monitors the vast coastlines of Australia. exactAIS data provides access to vessel track data to AMSA officers needing real-time data viewing as well as historic vessel track analysis. The data will be used in a variety of applications including search and rescue, environmental implication analysis, ship routing, vessel traffic services as well as pilotage compliance.

Commercial Customers and Markets

There are seven primary commercial market verticals that use maritime information services: commercial fishing; business intelligence and risk management; port management; commercial offshore (oil and gas); commercial shipping; hydrographic and charting; and other academic and research institutions.

Our commercial clients span each of these seven primary markets with our biggest footprint in the business intelligence and risk management segment serving traders and financial analysts, with logistics and port management being identified as the largest potential areas of growth. Our commercial customers comprised 23% of our fiscal 2014 revenues.

For competitive reasons, our primary commercial customers do not permit public disclosure about the sources of their information. However, our data is used in a number of prominent databases for market traders to provide accurate and up-to-date information on the movement of goods across the ocean.

U.S. Government Customers and Market

Historically, we have worked with limited U.S. Government customers and users, including the United States Coast Guard ("**USCG**") and the United States Navy, where we provided data on a number of projects including the Marine Exchange of Alaska ("**MXAK**") and the U.S. 6th Fleet African Outreach Project.

In 2011, the United States Navy' Sixth Fleet sponsored the African Maritime Outreach Project to address the problem of "borderless oceans", maritime problems which transcend international boundaries. Key to the project's success was the ability to visualize data in relation to critical infrastructure, marine protected areas and Economically Exclusive Zone boundaries, where we provided the U.S. Navy with S-AIS data feeds in order to aid the African Maritime Outreach Project.

In 2013, we worked with MXAK to form the Alaska vessel tracking alliance, providing services that aided in safer maritime operations in the North Pacific and Arctic Oceans. The USCG Command, Control and Communications Engineering Center awarded a contract to the MXAK to provide our S-AIS data for the USCG Nationwide AIS program.

On June 8, 2015, we entered into the Harris Agreement pursuant to which Harris will develop, deploy and operate the Second Generation Constellation to be hosted on-board Iridium NEXT and provide raw output data to us. In turn, we will license our de-collision detection technology to Harris for application in this system. Using the AIS source data processed by the Second Generation Constellation, we will be able to apply our expertise and technology in S-AIS detection from space, and utilize our processing centres, to provide additional products and enhanced datasets, with better service quality and data frequency, to a wider array of customers. Until the Initial Operating Capacity ("**IOC**") is reached — the time when the Second Generation Constellation is fully commissioned and operating — we are responsible for continuing to operate our First Generation Constellation, and for providing certain services and data to Harris. After IOC is reached, we will no longer be obligated to operate our First Generation Constellation and will continue to do so only at our discretion. If we elect to do so, and if we and Harris agree that the data from our First Generation Constellation is commercially necessary, we are required to continue to provide data to Harris as per the terms of the Harris Agreement described below.

Following IOC, the First Generation Constellation may be used for augmentation of the maritime data stream. We also intend to explore the potential of developing other niche applications for the First Generation Constellation. Under the Harris Agreement, the parties will work together exclusively with respect to the S-AIS and satellite VHF data services markets. The parties are free to develop value-added and system products derived from this data and are not obligated to share the revenue from such value-added additional services beyond the underlying data. Our long-term goal is to derive more than 50% of our total revenue from value-added products and services.

The Harris Agreement provides for certain market segmentation between us and Harris. Specifically, we have the exclusive right to sell our own products and any future Harris AIS products to any customer other than the U.S. Government. In turn, Harris has the exclusive right to sell our products and its AIS products to the

U.S. Government. Exceptions to the exclusivity provisions are permitted on written agreement between us and Harris. We have agreed to a plan to transition our current U.S. Government contracts and business opportunities to Harris. Management expects that the revenue sharing agreement included in the Harris Agreement will allow us to reach a significantly broader group of U.S. Government customers, and in turn, increase our revenues from this market. In the fiscal year ended June 27, 2014, Harris reported that it earned total revenue of approximately US$5 billion, 67% of which was derived from sales to the U.S. Government, including the Department of Defense, various intelligence and civilian agencies, as well as foreign military sales funded through the U.S. Government.

Under the Harris Agreement, we and Harris have agreed to share our respective AIS product revenue with each other, on terms set forth in the Harris Agreement. The table below outlines the revenue sharing terms as set forth in the Harris Agreement:

Revenue Source	**Revenue Sharing Agreement (Percentages of Revenue)**[(1)(2)]	
	Before IOC	**After IOC**
	exactEarth Ltd. Payments to Harris	
All AIS Data Revenue	• 40% of revenue up to $40 million[(3)] • 33% of revenue in excess of $40 million[(3)]	• 40% of revenue up to $40 million • 33% of revenue in excess of $40 million
	Harris Payments to exactEarth Ltd.	
Revenue related to Class A Transponders	• 15% of U.S. Government revenue until earlier of achieving the "revenue trigger"[(4)] or March 31, 2016 and 50% of such revenue thereafter until IOC • 33% of Class A Harris non-U.S. Government revenue	• 18% of U.S. Government revenue • 33% of Class A Harris non-U.S. Government revenue
Revenue related to Non-Class A Transponders	• 50% of all revenues	
ShipView	• 15% of U.S. Government revenues until earlier of the "revenue trigger"[(4)] or March 31, 2016, and 50% afterwards	
Harris Proprietary Products[(5)]	• 5% of all revenue	
	Payments related to Future Products	
Future Products	• Depends on whether or not both parties contributed to investments required to produce and develop new product and proportion of respective contribution • In the case where one party does not make any investment in the new product, they will be entitled to 40% of revenue from its own territory and 5% of revenue made by the other party until the other party recovers its costs plus 50% • Afterwards, normal revenue sharing applies, as outlined in the categories above	

(1) Under the terms of the Harris Agreement, each of us and Harris must meet certain minimum revenue targets. See the section titled "Risk Factors" for information related to the revenue sharing terms of the Harris Agreement.

(2) Included in revenue under this agreement is revenue derived from (a) the sales of AIS or VHF data and (b) the data portion (but not the value-added portion) with respect to sale of value added products and services. Future products which are added over time will follow this same model (i.e. revenue share on raw data content but not on value-added portion).

(3) Pre-IOC, the revenue sharing percentage is multiplied by the ratio of commissioned Second Generation Constellation satellites to the total amount of satellites expected to be commissioned as part of the Second Generation Constellation (as measured on the date one year prior to the end of our most recent fiscal quarter-end).

(4) The "revenue trigger" under the Harris Agreement means the time at which the combined total of: (i) 35% of the aggregate Revenue related to Class A Transponders and (ii) 35% of the aggregate Shipview revenue after June 8, 2015 meets or exceeds $790,000.

(5) Harris Proprietary Products means data products specifically generated for Harris proprietary applications by the Second Generation Constellation.

Our Responsibilities under the Harris Agreement:

- Continue operating our own First Generation Constellation until IOC;
- Operate processing centres, continuing to provide our existing products and create products, materials and enhanced datasets at our own account;
- Provide to Harris our exactView Data, generated by our First Generation Constellation which will be co-owned by us and Harris;
- Meet certain service levels with respect to the AIS products and services provided by us after IOC;
- Provide sales, marketing, customer support and technical support to customers in our territory (i.e. non-U.S. Government customers); and
- Provide a license to Harris for certain of our patented technology and protocols.

Harris' Responsibilities under the Harris Agreement

- Develop, deploy and operate the Second Generation Constellation payloads hosted on Iridium NEXT, at its own account;
- Deliver to us source data generated by the Second General Constellation; this data will be co-owned by us and Harris;
- Meet certain service levels with respect to the AIS source data and other products and services provided by Harris after IOC; and
- Provide sales, marketing, customer support and technical support to customers in Harris' territory (i.e. U.S. Government customers).

Joint Responsibilities under the Harris Agreement

- Provide ongoing technical and sales support;
- Share in future product development;
- Manage the conduct of the relationship between us and Harris through the Alliance Coordination Team (the "**ACT**"), a committee comprised of an equal number of representatives from each of us and Harris (up to three members from each) and including at least one senior decision-maker from each;
- Co-own jointly-developed intellectual property; and
- Eventually plan for a future generation of satellite constellations.

Payments under the Harris Agreement

In addition to the revenue-sharing payments described above, the Harris Agreement contemplates certain payments between us and Harris:

Pre-IOC

- We will pay Harris US$10 million in commitment fees in a number of installments by June 20, 2016, of which $1 million has already been paid and of which US$6 million is due on June 30, 2015;
- We will pay Harris US$50,000 per year for each satellite put in service as part of the Second Generation Constellation (up to US$750,000 per quarter); and
- Harris will make a US$2.5 million one-time payment to us on or before July 31, 2015 as consideration for co-ownership rights to our historical AIS data for the two year period preceding the agreement and in respect of our placing our disaster recovery and backup media items into escrow.

Post-IOC

- We will pay Harris US$3 million annually, payable in quarterly installments.

Following the fifth anniversary of IOC, we are required to generate a minimum of US$51 million in annual revenue, while Harris is required to generate US$14 million in annual revenue, in each case in respect of products contemplated under the Harris Agreement. If a party to the Harris Agreement does not meet the minimum annual revenue requirements and also fails to achieve a sufficient share of the total commercial S-AIS market as determined by the ACT, then the defaulting party shall elect either to (i) forego exclusivity in its territory, following which the non-defaulting party must pay to the defaulting party 33% of the non-defaulting party's revenue generated from the territory that had formerly been exclusive to the defaulting party, or (ii) pay to the non-defaulting party an amount equal to the revenue share that would have been payable to the non-defaulting party had the minimum annual revenue target been met. Additional conditions are described in "Risk Factors".

The Harris Agreement remains in effect until the later of 12.5 years after IOC, or when the Second Generation Constellation does not meet certain service levels. We are restricted from entering into business arrangements that are contrary to, or that conflict with the Harris Agreement, and have agreed to participate exclusively with Harris during this period. The Harris Agreement relies on the deployment of a satellite constellation and certain advanced technology. As such, it carries various risks which are further described under "Risk Factors".

IP and Technology

We have developed a significant portfolio of intellectual property and expertise unique to our business. The key areas covered are described below.

RF Signal Analysis

We have a number of proprietary tools and techniques which we have developed and utilize to ensure that the spacecraft we employ in our infrastructure deliver the highest quality of AIS message detection available. These tools and techniques have been reduced to equipment and procedures that allow them to be utilized on a variety of spacecraft and testing environments.

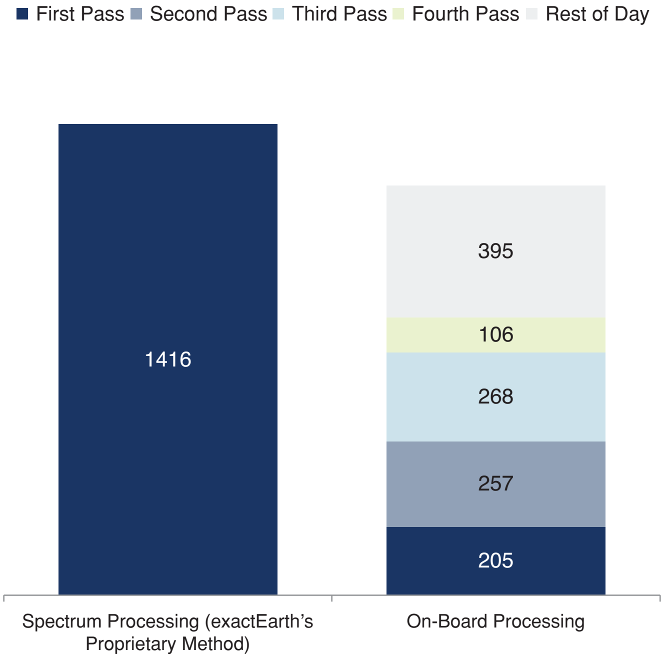
Digital Signal Processing

One of our key distinguishing capabilities is our Digital Signal Processing. Digital Signal Processing refers to the application of sophisticated computing algorithms to analog radio frequency signals that have been converted into a high fidelity digital representation.

Using the digital representation, we then use patented computer algorithms to extract useful AIS information from signals that are otherwise unintelligible to more traditional AIS message detection techniques. These algorithms are covered by our granted patents and patents pending.

An important metric that helps understand the value of these algorithms is what we call "First Pass Detection". Our patented digital signal processing techniques, which we have implemented through SDP, are able to detect the majority of the ships on the first pass. Other systems will require multiple passes during the course of many hours or even a day to detect the same ships that we are able to detect in one pass. See "Industry Overview — Assessment of the AIS Market Sector." This is illustrated in the graphic comparison below.

A Comparison of exactEarth's Proprietary Decollision Method versus Industry Method — Number of Unique MMSIs Captured per Satellite Pass in the Gulf of Mexico (April 1, 2014)



Source: exactEarth; exactEarth used its own equipment in order to produce this comparison
Note: Time elapsed between satellite passes is approximately 90 minutes

Small Vessel Detection

The collection of S-AIS is currently focused on the larger and more powerful Class A AIS transponders installed on the world's larger ships and which are more easily detected from space. However, many of the smaller, less powerful Class B transponders installed on smaller boats are also picked up by our powerful detection capabilities.

The reception of signals from Class B transponders from space has been traditionally hindered because Class B transponders transmit less frequently and with significantly lower power than Class A transponders. As they transmit less powerful signals, these boats become more difficult to consistently detect in dense areas where the stronger signals from the Class A devices tend to obscure them. Advanced Class B Satellite Enabled AIS ("**ABSEA**") is a unique new technology we have developed which enables the transmissions from AIS Class B equipped vessels to be reliably received by our global satellite network. By utilizing patented techniques, ABSEA allows terrestrial and satellite tracking of these small vessels without requiring expensive equipment and per orbit message charges for the ship owner.

First Generation Constellation Operation

We have been successful at operating a significant non-homogeneous LEO satellite constellation. The individual satellites in our constellation have differing capabilities. We have developed skills and software tools that allow us to plan and execute detailed operational scenarios. These skills and tools allow us to direct the various in-orbit capabilities to achieve the highest detection and message frequency possible with a minimum of personnel.

Big Data

Handling the increasing quantities of AIS messages being collected by our space assets has demanded that we build an information technology stack capable of processing and storing such data. Big Data is a broad term becoming more popularly used to describe data sets so large or complex that traditional data processing applications and databases are inadequate. Associated with the term Big Data are new emerging technologies and platforms that allow for the efficient management and mining of often unstructured data at such scales. We have developed expertise in these new Big Data technologies and have built storage and analytical platforms that underpin our business using these modern technologies.

Patents

Our patent portfolio is segmented into two categories: Enhanced Detection Techniques and AIS message detection and signal analysis. In addition to our current portfolio of patents, we are in the process of preparing and filing up to four additional patents.

The summaries below are of the filed submissions or final issued patents for the U.S. patent office. There are many related filings in different global jurisdictions, in particular the European Union and a smaller number in Canada, India, Australia, South Africa. The international filings are generally identical to the U.S. filing, but due to the patent examination process, sometimes the issued claims differ from the U.S. filing.

Enhanced Detection

The Enhanced Detection patents form the foundation of our ABSEA Small Vessel detection technology. These patents describe techniques which, when combined with traditional Class B AIS transponders, enable us to uniquely detect these low power transmissions through our satellite constellation.

AIS message detection and signal analysis

The suite of patents as filed in the field of AIS signal detection from space covers a wide range of techniques, algorithms, and architectures to improve the detectability of these messages from space using a range of strategies, and also to protect know-how in the area of detection of anomalous (spoofing) messages. These patents describe signal processing techniques that enhance our ability to extract AIS messages from densely populated shipping regions of the world and to extract useful signal information. The table below provides an overview of our issued and pending patents in the AIS market:

Patent Name	Patent Number/Jurisdiction	Date Granted/Filed	Status
Methods and Systems for Enhanced Detection for E-navigation Messages	8,904,257 (US)	December 2, 2014	Issued
Methods and Systems for Enhanced Detection for E-navigation Messages (continuation in part with added claims)	13/786059 (US)	October 27, 2014	Pending
System and Method for Decoding Automatic Identification System Signals	7,876,865 (US)	January 25, 2011	Issued
System and Method for Decoding Automatic Identification System Signals (continuation in part with added claims)	8,374,292 (US)	February 12, 2013	Issued
System and Methods for Decoding Automatic Identification System Signals	12/567104 (US)	September 25, 2009	Pending
Satellite Detection of Automatic Identification System Signals	12/360,473 (US) 2211486 B1 (Europe)	January 25, 2010 (US) January 9, 2013 (Europe)	Pending (US) Issued (Europe)
Systems and Methods for Segmenting a Satellite Field of View for Detecting Radio Frequency Signals	12/797,066 (US)	June 9, 2010	Pending
Method for Consistency Checking and Anomaly Detection in AIS Data	13/445,552 (US)	April 12, 2012	Pending

Systems and Infrastructure

The exactView™ system consists of LEO satellites, ground stations, global communications network, and a two Data Processing Centres. The figure below outlines these key elements of our S-AIS service.

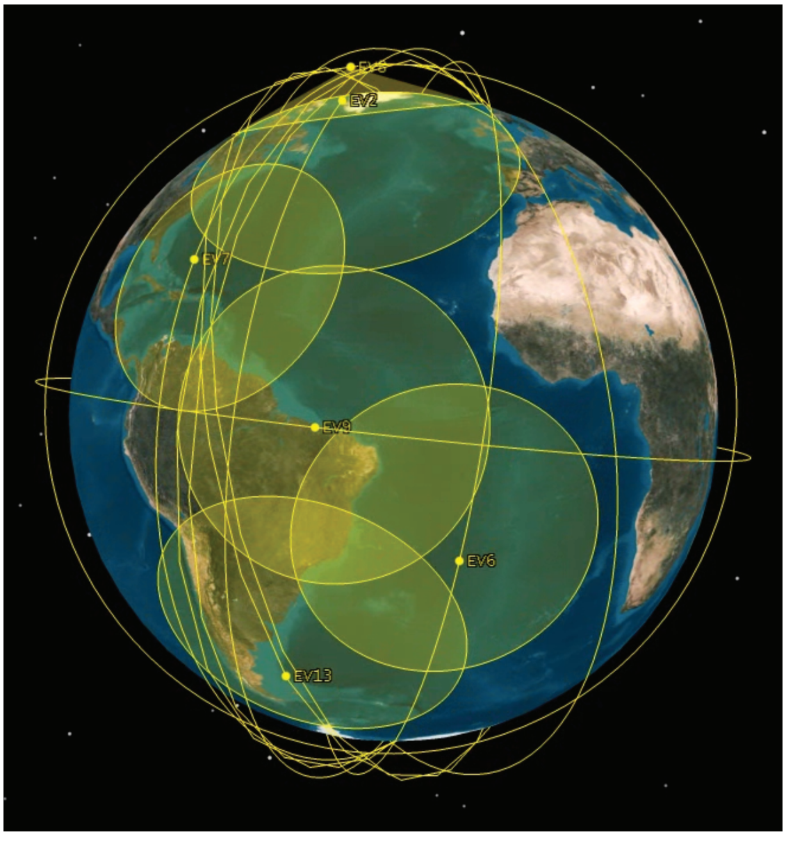
First Generation Satellite Constellation

Unlike geostationary satellites, which are used for television and fixed voice and data network communications, LEO satellites are constantly moving across the sky and are much closer to the earth's surface. Our LEO satellites orbit the earth at approximately 650km completing an orbit every 90 minutes. This means that typically, each satellite is over any given point on the earth for 10 minutes or less several times per day. At all times during its orbit, the satellite is collecting AIS signals and communicating with ground stations within its field of vision.

Depending on the satellite and its capabilities, it will either process the signals on-board the spacecraft and deliver AIS messages to the ground or transfer raw VHF signal information (spectrum) to the ground for later processing to extract the AIS messages.

The image below provides a representative snapshot of our First Generation Constellation including those satellite assets that are scheduled for launch in 2015, bringing the expected total to 10. See "Regulatory Overview" for further details on the satellites comprising our First Generation Constellation.

First Generation Constellation
(snapshot in time)



Source: exactEarth
Note: Illustration of First Generation Constellation at completion

First Generation Constellation Assets

Satellite	Launch Year	Nature of Asset
Current Operational Satellite Assets		
EV1	2012	Own Satellite
EV2	2011	Own Payload
EV5	2013	Own Satellite
EV6	2011	Own Satellite
EV11	2014	Own Satellite
EV12	2013	License Data
EV13	2014	License Data
Awaiting Launch		
EV7	2016	License Data
EV8	2015	Own Payload
EV9	2015	Own Satellite

Source: exactEarth

exactEarth Ground Stations

In order to get information from the satellite to the ground, an antenna capable of receiving transmissions from the satellite must be in the field of vision and tracking the satellite as it passes overhead. While overhead, depending on the capabilities of the particular satellite, it can relay the information it is collecting from the area over which it is flying and/or it can download the information it has previously collected from some other area of the earth.

We utilize a set of ground stations placed at strategic positions across the earth to maximum the ability to downlink S-AIS data to end-users. Each ground station has the ability to downlink messages from any satellite in our constellation from any location on the earth. There are no ground coverage constraints placed on our capability to deliver data to our customers.

Currently we have 17 active antennas with another 12 expected to be coming online in the next 9 months. Our ground stations are designed for highly reliable satellite payload downlinking, payload storage and payload transmission to our DPCs for processing and distribution.

exactEarth Current and Future Ground Station Network

Source: exactEarth
Note: Locations are approximate

Data Processing Centres (DPCs) and Customer Delivery

Upon reception at a ground station, the AIS information is forwarded through a secure Virtual Private Network to one of our two DPCs, both of which are located in Ontario, Canada.

At each of our DPCs, we employ an extensive, powerful and redundant computing infrastructure to host our patented processing algorithms, in order to organize and format the collected information. We then store it on our Big Data engine. This engine then distributes relevant data and information to product specific applications serving customer needs.

Our primary DPC located in Toronto, Canada is a highly secure Tier 3 facility. This centre is where all space based AIS data is collected from the satellites (and optional terrestrial commercial AIS data), and is then processed as follows:

- Data from ground stations are backhauled from their various locations to the DPC
- Pre-processing of each data set is performed to establish whether:
  - AIS Data collected from satellites using OBP are passed directly through to the Customer Distribution Engine, or;
  - AIS Spectrum Data was received which requires SDP in order to extract AIS data from radio frequency spectrum collected from satellites. This method yields the highest detection of ships, especially in highly dense shipping areas
- Once the AIS data has been received from either method, it is then passed on to our processing and storage environment from which data and information is distributed directly to authorized customers using various methods described elsewhere which can broadly be divided into raw data and geospatial web services delivery

Second Generation Constellation

Over the last two years, we have been negotiating with Harris to design and build the Second Generation Constellation maritime satellite system auxiliary components (payloads) to be hosted on Iridium NEXT. Those negotiations were successfully concluded on June 8, 2015 with the announcement of the Harris Agreement. Harris is also the builder of the Aireon Automatic Dependence Surveillance — Broadcast (ADS-B) payload which is to be used to track global air traffic and is also hosted on Iridium NEXT. Our payload will be an additional hosted payload on-board many of the same satellites as the Aireon ADS-B payloads. It will collect information across the entire maritime frequency band.

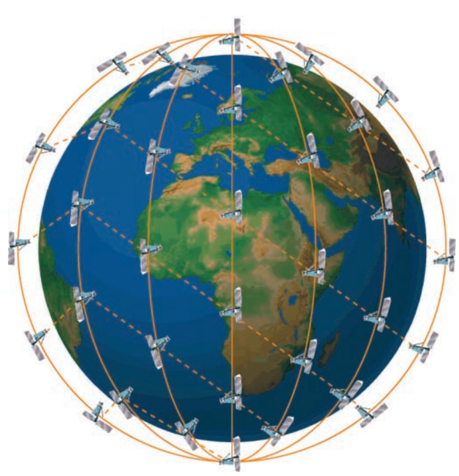
The payloads utilize Harris' powerful AppStar applications platform and is projected to employ an in-orbit version of our patented AIS SDP detection algorithms, which management believes will create an unrivaled AIS detection capability for global maritime shipping. The payloads are fully programmable from the ground, making them adaptable to the evolving needs of the maritime geospatial information market. In addition, the payloads can support multiple on-board applications that can be tailored to meet specific market needs for the sensor data collected. These applications can be planned and scheduled for operation utilizing the advanced program switching capabilities of the AppStar platform. This project results in one of the most advanced in-orbit processing capabilities conceivable and an ability to adapt and evolve to anticipated changes in the maritime marketplace.

The payloads are hosted across Iridium NEXT providing persistent coverage on a global scale via a robust satellite deployment. In the event of in-orbit satellite failures, there are in-orbit satellites that can be moved into position to restore service. In the event of a launch failure ground spares are available to be placed on subsequent launches to restore the constellations capability.

The payloads communicate through the inter-satellite links, providing constant real-time access to and from the ground. This enables real-time delivery of the collected maritime information (AIS and other maritime data) and application outputs of the payloads.

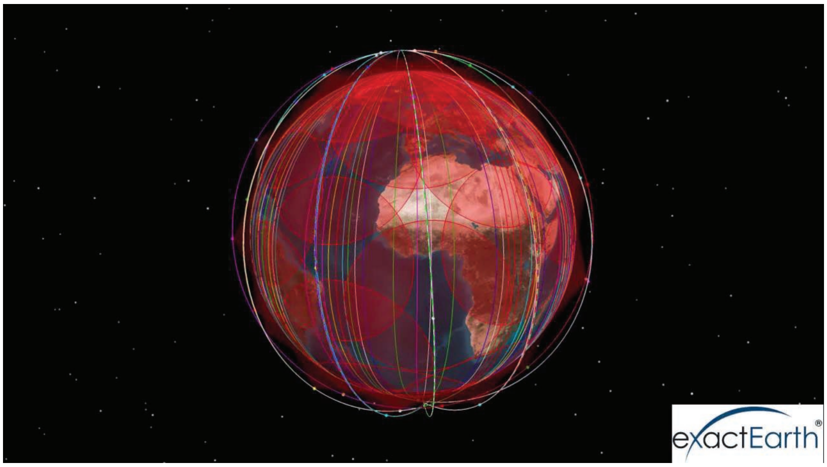
The payloads are expected to begin deployment in the spring of 2016 with full service expected by the beginning of 2018. When fully deployed, the Second Generation Constellation will provide persistent real-time global coverage with detection performance rivaling ground based systems. The robustness of the constellation, programmability of the payloads and support for multiple in-orbit applications makes this the global maritime information collection system designed to meet and exceed the needs and expectations of the world's maritime community for the foreseeable future.

Second Generation Constellation (Iridium NEXT)



Source: Illustrative representation of Iridium NEXT

Illustrative exactEarth Coverage from Second Generation Constellation



Source: exactEarth

Competition

Before the introduction of commercial S-AIS five years ago, the wholesale tracking of ships outside of the coastal zone was a very difficult and inefficient task. There were, various forms of satellite imagery that could be used to obtain a picture of navigable waters and to detect the ships occupying them. However, these forms of satellite imagery are limited in use because they provide no underlying details about the ships detected. In addition, these satellites have significant coverage limitations in that they only see small parts of the ocean at a time and are of limited tracking use.

One detection system that is in use for vessel tracking is the Long-Range Identification and Tracking (LRIT) system, which was introduced by the IMO in 2006. Under this mandate, major vessels are required to transmit their position to their flag jurisdiction four times per day. These transmissions typically use traditional satellite communication devices onboard the vessels. The data is typically expensive to collect and maintain, as its cost structure is typically based on cost-per-message. Furthermore, the data is spread among the flag jurisdictions and is limited to governmental authorities. This lends to a fragmented picture of global maritime activity, furthered by the six hour gaps between position transmissions.

Another method of tracking ships is Vessel Monitoring Systems (VMS) which is used primarily for tracking specific groups of ships or fleets. Vessels are equipped with specific satellite communication technology by which they report their position. While this technology gives a clear view of the movements of vessels, the cost of obtaining this information is relatively high as compared to S-AIS and such information is limited to the installer/operator of the system.

Vessel Tracking Systems (VTS) is a term used for the monitoring of all shipping close to shore using a variety of technologies including radar, cameras, and coastal AIS. VTS systems are costly to install and maintain but they do provide a complete view of the maritime domain within the visual limits of the coastline. However, the view ends at the horizon because of the curvature of the earth, which is not the case for S-AIS.

A summary of the various tracking technologies is given below.

Feature	LRIT	VMS	VTS	S-AIS (exactEarth)
Ships Tracked	• Large merchants (over 300 GT) • Passenger Ships • Platforms	• Individually equipped fleets	• All vessels within coastal limits	• Large merchants (over 300 GT) • Passenger Ships • Platforms • AtoNs • SAR Aircraft • Base Stations • Any small vessels carrying Class B AIS
Coverage	Global	Global	Coastal range only	Global
Frequency	Required to report every 6 hours	As determined by installer/ operator	Live feed with instantaneous updates	Currently approximately one hour; will be real-time with the Second Generation Constellation
Availability	Restricted to flag jurisdictions	Restricted to installer / operator	Restricted to installer / operator	Commercially available from suppliers with requisite satellite technology
Cost Model	Pay-per-message	Pay-per-message	Pay-per-message	All message transmissions are free-to-air over VHF

Outside of these methods, one other way for interested parties to gain an understanding of ship traffic movements has been through visual and paper-based recording methods.

The S-AIS market itself is characterized by new technology, with high barriers to entry involving sophisticated digital signal processing and capital-intensive LEO satellite constellations. As a result, there are very few players to date. With the exception of a few national governments' experimental programs, we have only identified one other commercial supplier of S-AIS data, which comprises a very small portion of its overall business.

Based on our ability to detect and identify vessels and their movement history, the number of vessels we track simultaneously, and the cost and quality of obtaining our data (including our global coverage range and frequency of data update), we believe our capabilities are more effective, timely and less costly compared to the following alternative vessel tracking solutions:

- Other S-AIS: Includes alternative satellite-based AIS tracking technologies. We believe our proprietary decollisioning technology and partnership with Harris gives us access to the quality of data and information not available to other S-AIS solutions.
- Satcom Systems: Includes alternative non-AIS satellite tracking solutions. Given that these systems require the installation of system-specific terminals on vessels and are directed communications (not open broadcasts), we believe that our solution covers a larger population of vessels at a lower cost.
- SatRadar Satoptical Systems: Includes radar and optical satellite solutions. Given the limited update rate and identification capabilities of these solutions we believe that our S-AIS technology offers significantly greater ability to identify and track vessels at a lower cost.

- Coastal Systems: Includes coast-based sensors (including but not limited to AIS and radar) which, on a cost-per-area-covered basis, are expensive to install and operate, and have a range which is generally limited to line of sight as compared to our S-AIS solution.
- Patrol Assets: Includes airborne assets and patrol vessels that are able to track vessels locally. Compared to our S-AIS solution these assets have limited coverage and high operating costs often magnitudes higher than ours.

S-AIS has developed quickly as the method for the provision of the unrestricted view of the maritime domain and use of the Second Generation Constellation with real-time monitoring capability will allow us to compete even more effectively with the traditional VMS and VTS markets.

We believe that our S-AIS offering has some unique and compelling qualities that will continue to allow us to maintain our leading industry position and grow our business further:

- Our patented signal processing techniques allow us to detect more vessels and increase our frequency of detection as compared to the standard on-board processing techniques. We can also collect more voyage related information as compared to other tracking technologies.
- Our experience in digital signal processing from space will allow us to enter wider tracking markets with a lower-cost alternative to many traditional systems.
- Our breadth of products and services allows us to cater to a wider and more diverse market.

Additionally, the Second Generation Constellation will provide the following benefits:

- The Second Generation Constellation represents an investment beyond the capabilities of most potential competitors, and will provide a real-time service coupled with our superior detection capability.
- The real-time capability of the Second Generation Constellation will allow us to compete in more traditional ship-tracking markets currently dominated by more expensive, traditional systems.

Growth Strategy

Management has outlined a growth strategy with an objective to continue growing our business within the maritime information market, further into the global asset tracking market, and eventually into non-maritime markets. These objectives are based upon a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from these objectives. See “Forward-Looking Statements” and “Risk Factors”.

Build upon our market leading position as the premier supplier of S-AIS maritime data

Management believes that our recently announced Harris Agreement and the associated Second Generation Constellation hosted on-board Iridium NEXT will produce real-time service level capability for S-AIS and VHF maritime services that is significantly advanced from any service offering available today and will be clearly seen as the leading capability in this market segment. Management intends to leverage this capability to maintain our market leadership position and to further grow the market for S-AIS data services. This growth is expected to encompass customer base expansion, service capability expansion and the provision of enhanced data services. For our customer base expansion we will focus on acquiring customers in the other IMO member governments and other underserved geographies as well as in the further development of such commercial market segment opportunities as financial services, commodities, logistics and maritime insurance. The service capability expansion will leverage the real-time capabilities of the Second Generation Constellation and is expected to include such applications as VTS and coastal AIS station substitution. For enhanced data services we intend to develop an expanded range of alerting products and utilities that can be accessed by customers through direct data feeds or via our ShipView SaaS platform.

Expand our maritime market reach to new customers and applications not currently served by S-AIS

Our growth plan involves the expansion of the maritime information market into areas which do not currently utilize AIS or maritime VHF data services. We will continue developing our maritime information services to expand into the more traditional ship tracking markets. Management believes that our low-cost alternative to traditional tracking methods and systems will help us capture new customers in markets such as the traditional VMS used in commercial fishing and also to capture customers in other fleet management tracking applications currently served by conventional satcom-based tracking technologies. As our service improves further and the broader maritime market is educated on our solutions, we believe the lower unit cost of our S-AIS tracking system will broaden the appeal of such data across a wider ship tracking market.

While AIS is currently only required on larger ships, small vessel tracking is becoming increasingly important because of illegal fishing, human trafficking, smuggling and piracy. The success of our new patented Class B transponder technology, combined with our exclusive relationship with leading AIS transponder supplier SRT, will enable us to offer very low-cost devices that can be tracked by our First Generation Constellation and the Second Generation Constellation. We believe there is a total addressable market of over a million vessels that are not currently equipped with AIS or any other tracking technology and are eligible to use our low-cost maritime tracking technology.

The Second Generation Constellation will also allow real-time capture of radio signals emitted over the entire maritime VHF frequency band and not just the AIS channels. Management intends to use this capability to develop other maritime services and to create a leading capability for this future VHF Data Exchange Services market.

Increase sales by capturing additional datasets which will drive additional service offerings

We have already developed a sophisticated data infrastructure which allows the capture, storage and dissemination of maritime data and data products to customers around the world. We believe that we can leverage this existing infrastructure, storage and processing systems to collect and distribute other maritime related information which we are not currently capturing to our customer base. Decision making in the maritime market requires combining inputs from myriad large data sources such as ship details, history, ownership, insurance risk, cargoes and crew details. Storage and integration of such data is an expensive and complicated challenge and we believe we can offer services in this area to deliver individual information services tailored to our customers.

In addition, we are currently developing further uses for our low-cost AIS communications system in order to collect and distribute other maritime-related information. Information such as ship engine performance, fuel emission management, ocean conditions and weather information are candidates for deployment to compete with traditional and more expensive satellite communication alternatives in the market.

Utilize advanced data analysis capabilities in order to deliver additional value-added services

With a continuously growing data archive spanning five years, we have developed a comprehensive view of the world's shipping movements. Our infrastructure has been designed to support this archive, and interface with complex analysis engines that will allow us to provide powerful, real-time insight and alerting services to our customers. We are innovating ways to record and store individual and group behaviours and deduce normal shipping behavior which provides us with a basis for detecting abnormal vessel movements and allows us to verify the validity of positioning information within AIS messages. This Big Data approach will allow us to provide customers with specific answers to questions about vessel behaviour and pattern analysis.

Such real-time intelligence and analytics information services are of interest and importance in areas such as national security, illegal and unregulated fishing, smuggling and illegal bunkering as well as to the commodity and financial analysis and information services markets. We believe this service could be sold as a premium offering to customers including security and surveillance authorities, customs and border protection, and international policing organizations, such as coast guards, as well as to major commodity traders, hedge funds and financial information services companies.

Expand our addressable market beyond the maritime market and into the "Internet of Things"

Our technology allows for the detection of low-power, uncoordinated radio transmissions. By leveraging our existing intellectual property and expertise, we believe that our technology can be further evolved to allow the satellite detection of low-power, low-cost radio tags which could enable a much broader satellite tracking and data acquisition market. We believe that our cost to track an object hourly could be as low as $0.10 per month, and that transmitter hardware could be made for less than $20.00 per unit. Our growth plans contemplate an expansion into the advanced connectivity of objects, devices, systems and services in the wider M2M market, more broadly encompassed by the IoT movement.

In addition to the Second Generation Constellation and small vessel tracking initiatives which are already underway management has outlined a number of strategic initiatives intended to help pursue the growth strategy outlined above:

Expand our global sales channel network

We aim to expand our sales presence in the global government market. Within this market, we utilize a direct business development sales model consisting of in-region sales and technical staff who work in concert with in-country partners and resellers. This has proven to be very successful in countries such as Australia, Indonesia, Japan, Argentina and USA. We continue to expand our direct presence in key geographic markets where maritime interests are typically high on the political agenda such as the Middle East, Africa, India and the Asia Pacific regions. We intend to expand our current government sales channel network to cover those areas where we are currently geographically underserved.

For commercial and non-government markets, our general sales model is to sell through channel partners. We intend to rapidly expand our channel partner network in commercial markets such as insurance and risk management, logistics, and financial trading services as well as to expand our network in non-government markets, namely the oceans research, and the illegal, unreported and unregulated fishing markets.

We also intend to develop an e-commerce sales channels both directly and through large geospatial communities, which would enable customers to easily purchase data products and information services online, enabling 24/7 sales.

Further invest in a Customer Service strategy to reinforce our reputation for quality service

We are dedicated to committing the necessary resources to provide customer support for training, integration and testing in order to assist our customers, our third-party resellers, our channel partners and other distributors in the roll-out of their applications and to enhance end-user acquisition and retention.

We provide our partners and customers with access to comprehensive online knowledge databases and customer support technicians. We also deploy our technicians on-site to facilitate the integration of our data and services with customers' applications. We intend to expand this capability and develop an associated technical consulting capability as our market and product line expand in order to maintain a high level of customer service and support as part of our customer retention and brand strategy.

Pursue a disciplined acquisition strategy

We recognize that certain situations may arise that would enable us to reach our stated goals, and enhance shareholder value faster or more efficiently, by making strategic acquisitions, of assets or companies. We believe that the maritime information market is fragmented and creates opportunities for consolidation. As well, achieving growth in non-maritime markets may be best achieved via acquisition.

We intend on targeting either complementary maritime information products, which will broaden our offering, or companies with an international presence that can provide us with additional channels to markets that we currently underserve. Although we have no agreement or commitment with respect to any acquisition at this time, we have identified a number of opportunities that may be actionable in the short- to medium-term.

REGULATORY OVERVIEW

Overview of Radiocommunication Regulatory Environment

Satellite and terrestrial radiocommunication is regulated at the individual state level by governments and at the international level through the United Nations body called the ITU. The ITU is responsible for allocating global radio spectrum frequencies and overseeing placements of satellites in orbit and developing the technical standards on which radiocommunication services rely. The ITU allocates frequencies for certain uses such as AIS and, through state governments (called "administrations" at the ITU), allows public and private entities to use the frequencies in a prescribed manner so as to prevent harmful interference between users of spectrum. Administrations are required to give notice of, coordinate, and register, by publication in the MIFR, entities' use of frequencies and orbital placements.

To operate globally, we rely on the First Generation Constellation which is an MSS network which provides communication links between mobile stations on ships, satellites covering the earth and stations on the ground, whether mobile or fixed. The satellite network comprises both a space segment and an earth segment which work together to capture, downlink, process and distribute AIS signals containing data being transmitted by ships. The First Generation Constellation operates pursuant to the Canadian radiocommunication legal regime (via IC amd DFATD) as well as the ITU's. We will rely on the Second Generation Constellation to provide enhanced and continued services, which will be operated by Harris and Iridium pursuant to the US radiocommunication legal regime and the ITU's.

Regulation of Space Segment

Our space segment consists of non-geostationary, LEO satellites, some of which are owned and operated by us and others which are not, and the licensed use of spectrum or radio frequencies, which work together for the capture and transmission to ground stations of AIS data from ships.

Regulation in Canada of satellites we own

The right to use spectrum and operate equipment such as satellites and earth stations we own in the First Generation Constellation is regulated under the *Radiocommunication Act* which is administered by IC. The Minister is authorized to issue licences, establish standards, assign frequencies and plan the allocation of frequencies (in keeping with the international radio regulations of the ITU). The Minister has broad authority to issue licences, fix and amend the conditions of licence thereto, suspend or revoke them and charge fees for licences. As a Canadian corporation, we are eligible to hold spectrum and radio licences under the *Radiocommunication Act*.

On August 12, 2011, IC issued us an Approval in Principle of the ADS Satellite Network (the "**ADS Approval**"). This authorized us to launch and operate a constellation of up to six LEO satellites for MSS and set out the conditions for such. Pursuant to this authorization, we now own and operate a total of four satellites launched in polar orbit, called EV1, EV5, EV6 and EV11. In April, 2015, we submitted a request to IC to extend the ADS Approval until 2018 in order to add more satellites to the network. We are currently having a satellite constructed, which is expected to be launched in 2018 under the anticipated extended ADS Approval. Management expects such approval will be granted by IC.

Our satellites are licensed by IC under a single space station radio licence. Our space station radio licence is due for renewal annually on April 1. The current space station radio licence is valid until March 31, 2016, at which time we expect that it will be renewed.

An application has also been made to operate a satellite network in equatorial orbit, and an application has been made to launch a satellite, called the EV9, in that network. As EV9 uses an equatorial orbit, it was out of the scope of the polar orbit ADS Approval. Management is confident such approval will be forthcoming. Launch is expected to occur prior to 2016.

We are responsible for domestic coordination of the satellites owned by us and IC is responsible, with assistance from us, for facilitating international coordination with affected operators through the ITU. We have completed domestic coordination as needed, including for the EV9. The satellites have gone through all but one of the necessary steps for international coordination, which include advance publication, coordination, notification and publication. The final step to be achieved is for the ITU to publish the satellite information in the MIFR, which will be forthcoming in due course.

We hold an IC spectrum licence which authorizes the use of radiofrequencies for the uplink (Earth to space transmission) and downlink (space to Earth transmission) of AIS signals to and from the satellites we own to provide MSS. Our spectrum licence is granted on a first-come, first-served basis and issued for one-year terms beginning on April 1 of each year. Our current spectrum licence expires March 31, 2016. It applies to any number of satellites and all our future satellites.

The AIS frequencies are protected to a certain extent from interference by the ITU regulations and by IMO policies. We are responsible for redressing interference issues with regard to the use of these frequencies. To date, there have been no material incidents of harmful interference.

We are compliant with the conditions of licence of our ADS Approval, space station radio licence and spectrum licence and confirm that our satellites are otherwise in material compliance with the regulatory authorities referred to in this section.

Regulatory oversight of satellites we do not own in the First Generation Constellation

Our First Generation Constellation relies on satellites which are owned and operated by other entities, such as the Canadian Space Agency (EV7), Indian Space Research Organization (EV2), SpaceQuest (EV12 and EV13) and Hisdesat (EV8), with whom we have entered into commercial agreements to either host our dedicated AIS payload, or to obtain AIS data from those entities.

Where we neither own nor operate a satellite, but merely contract for a hosted payload or buy the AIS data collected by another entity, we are not responsible for IC satellite or spectrum licensing or RSSSA licensing, or any licensing by the state authority under which the satellite was launched or is operated. The burden of regulatory compliance (at the state level and at the ITU level) is on the satellite owner and operator, not on the commercial customers of the payloads such as us. Contractual arrangements between us and the satellite operators require the satellite operators to be responsible for meeting the regulatory obligations regarding the satellites and their spectrum use. Management is confident that the satellites in the First Generation Constellation are in material compliance with all regulatory requirements. However, any failure by the satellite owner and operator to obtain or maintain the required satellite licenses could negatively impact our business. The same type of regulatory risks that apply to satellites we own or operate also apply to satellites that we use or will use but that are owned or operated by other parties. See "Risk Factors."

Regulation of the Second Generation Constellation under the Harris Agreement

The Harris Agreement is the basis of the future Second Generation Constellation. Under the Harris Agreement, we will be given the AIS data received on Harris' dedicated AIS payloads on the Iridium NEXT satellite constellation.

The launch and operation of the Second Generation Constellation is subject to US regulatory authority, not Canadian. Under the Harris Agreement, the regulatory burden for this is placed on Harris and Iridium. As the satellite owner and operator, Iridium is responsible for obtaining the necessary satellite and spectrum licences to enable the satellite to uplink and downlink AIS data and make use of the AIS frequencies. While there is an inherent risk that these licences will not be obtained, and although we do not have any information on the progress, to date, of obtaining such authorizations, we are confident that the risk is remote. The U.S. Federal Communications Commission has recently adopted and proposed new U.S. spectrum allocations which will facilitate the reception of AIS signals by satellite systems such as the Iridium NEXT. Any failure to obtain a required authorization to collect and process AIS signals or to satisfy any condition in connection with such authorization shall be considered a force majeure event under the terms of the Harris Agreement. Either we or Harris may, by 180 days' prior written notice, terminate the Harris Agreement if any delay of performance or non-performance resulting from a material force majeure event, extends for more than ninety (90) days. The same types of regulatory risks that apply to satellites we own or operate also apply to the Iridium NEXT satellites. See "Risk Factors."

Under the Harris Agreement, we are responsible for obtaining any authorizations required by the Government of Canada in respect of our activities relating to the Second Generation Constellation. Management is aware of the Canadian regulatory authorizations which we are responsible for obtaining under the Harris Agreement and will ensure that these obligations are met. At this stage, we have not identified any new radiocommunications licences which we must obtain in order to engage in our activities under the Harris Agreement.

Registration in the UN Registry of Space Objects

Canada and other jurisdictions in which we licence our satellites, including those we own or operate and those owned or operated by third parties, are generally parties to the United Nations ("**UN**") Convention on the Registration of Objects Launched into Outer Space ("**UN Convention**"). The UN Convention requires a satellite's launching state to register the satellite as a space object. The act of registration carries liability for the registering country in the event that the satellite causes third-party damage. Administrations may place certain requirements on satellite licensees in order to acquire the necessary launch or operational authorizations that accompany registration of the satellite. In some jurisdictions, these authorizations are separate and distinct, with unique requirements, from the authorization to use a set of frequencies to provide satellite service. Our satellites may be subject to such requirements.

Regulation of Earth Segment

Our earth segment consists of: multiple ground stations (earth-based satellite terminals) in Canada and elsewhere, the majority of which only receive transmissions of AIS data, and a few of which emit transmissions of TT&C data for the purpose of controlling the satellites; the reception of data at operations centres for data processing; and, terrestrial communications such as virtual private networks over the internet to communicate the data from the earth stations to operations centres and to customers. The operations centres and terrestrial communications component are not subject to radiocommunication regulations.

Placing ground stations around the world is necessary in order to ensure the timely transmission of the AIS data from the satellites back to earth for processing.

In Canada, as in most jurisdictions, operators of ground stations must apply for and obtain authorizations to be installed and operate. However, they only require an IC radio licence where the antennas transmit signals on radio frequencies. Where the ground station only receives signals, it is exempt from licensing by IC, which is the case in most jurisdictions.

We own and have obtained licences for one ground station in Canada, which has multiple antennas. This ground station is authorized to uplink data to the satellites. One radio licence is for the purpose of TT&C. The remaining four are developmental licences which allow us to use various frequencies in order to undertake experiments in calibration, AIS detection and other necessary tests. Our radio licences have been renewed for two-year terms, expiring on March 31, 2016. Ground stations are subject to the conditions contained in the licences such as the certification of the radio apparatus by IC for compliance with restrictions regarding safe radio frequency emissions. We are compliant with the conditions contained in our IC radio licences.

We also own and operate a ground station in Cork, Ireland. As it is only capable of receiving signals, it is exempt from spectrum licensing in Ireland.

The majority of the ground stations utilized for our earth segment are located in foreign jurisdictions and are owned by third parties. We have acquired the rights to use or plan to use other ground stations through commercial arrangements with third parties in the following locations outside of Canada: Norway, UK, Singapore, Mauritius, Dubai, Australia, Spain, Argentina, Panama, Portugal, Japan, the U.S., and Saudi Arabia. The burden of regulatory compliance is on the ground station owner and operator, not on the commercial customers of the ground station such as us. Contractual arrangements between these ground station owners and us require that the ground station owners and operators are responsible for meeting all the regulatory obligations regarding the ground stations and their spectrum use. We have no reason to believe that the ground stations outside of Canada are not in good standing with the relevant regulatory authorities. However, any failure by the ground station owner and operator to obtain or maintain the required licenses could negatively impact our business. The same type of regulatory risks that apply to ground stations we own or operate also apply to ground stations we use that are owned or operated by other parties.

IMO Policies

The IMO is a UN agency that concerns itself with shipping and other maritime activities. It developed and passed SOLAS, which is the international authority that requires qualifying ships to be fitted with AIS equipment. A subsequent Resolution of the IMO provides guidance to member states on the implementation of the AIS requirements in SOLAS. The Maritime Safety Committee of the IMO, its highest technical body, has expressed concern from time to time about the possibility of aggregated AIS information falling into the wrong hands which could potentially endanger shipping, rather than help ensure its safety. We are aware of this concern and, from our earliest days, we have strived to be in strict compliance with all IMO rules relating to AIS. As discussed elsewhere in this prospectus, we derive a significant portion of our revenue from our government customers. We believe that our operations are not only fully compliant with the IMO's rules and policies regarding the sensitive nature of AIS information, but that our operations enhance maritime security around the world.

Remote Sensing Authorizations

We are required to obtain annual approval for each satellite and associated facilities that we own or operate pursuant to the Canadian Remote Sensing Space Systems Act (the "**RSSSA**"), overseen by DFATD. This statute regulates satellites that "listen to" or pick up intelligence from the surface of the earth and process and possess the data.

We are in material compliance with the requirements of the RSSSA.

On September 2, 2010, DFATD issued us a provisional approval of a licence application to cover all of our owned satellites pending issuance of a full RSSSA licence. As well, a provisional approval was granted for the NTS satellite (also called EV0), which is owned by Com Dev and operated by UTIAS, and which we used for experimental purposes regarding AIS data. Since then, the provisional approval for our owned satellite has been extended for subsequent annual terms and also extended to cover new satellites as need be. The provisional approval dated March 4, 2015 extended our provisional approval to 30 September 2015. The provisional approval regarding the NTS satellite lapsed in 2013 and an application has been made to DFATD to IC to renew the provisional approval as of 2013.

We must apply for renewal of the provisional approvals pending receipt of the full licence. It is possible that DFATD may not provide a full licence.

The RSSSA does not apply to Harris or to our activities under the Harris Agreement, except insofar as it relates to the operation of and handling of data collected as described above through the First Generation Constellation. No further RSSSA licences must be sought as a result of the Harris Agreement.

Overview of Export Control and Controlled Goods Regulatory Environment

Our business involves the acquisition, possession, use and transfer of equipment (e.g.: hardware), software, technology (e.g.: technical data) and services (together referred to herein collectively as "goods"), which are subject to the regulatory regimes regarding export control and licensing of controlled goods in various jurisdictions.

In Canada, this regime involves government control of prescribed sensitive goods and the regulation of the export of same. More specifically, pursuant to the *Export and Import Permits Act*, the Trade Controls Bureau of DFATD is responsible for issuing permits and certificates for various products included on the *Export Control List* (ECL). The export of sensitive goods on the ECL requires a Canadian export licence. Pursuant to the *Defence Production Act* and *Controlled Goods Regulations*, the Controlled Goods Directorate authorizes entities like us to possess certain sensitive goods which are prescribed in the ECL.

In Canada, we require and have obtained a Controlled Goods Certificate regarding our possession, in Canada, of goods and information falling under Item 5504 of the ECL. The Certificate of Registration under the Controlled Goods Program expires November 25, 2019.

We have also required and have obtained export permits regarding the direct transfer of controlled goods to foreign destinations, namely, Spain, France, Luxembourg and Germany. Our exports from Canada to the US are not requird to be licensed.

The AIS products and services we provide to customers, under the First or Second Generation Constellation, are not considered controlled good and we do not require a licence to possess or export such goods under Canadian law.

There have been no internal or external investigations, violations or disclosures regarding our compliance with the *Controlled Goods Regulations* or the *Export and Import Permits Act*. We underwent a successful audit in 2011, conducted by the Department of Public Works & Government Services Canada, regarding compliance with the Controlled Goods Regulations.

We have implemented internal processes and procedures in place to control access and distribution of controlled goods to ensure ongoing compliance with the *Controlled Goods Regulations* and *Export and Import Permits Act*, including the appointment of an internal Designated Officer to ensure compliance with the regulatory requirements. Such processes and procedures were approved by the Department of Public Works & Government Services Canada in the course of the audit.

We do not directly export anything from the US. However, we purchase goods from US suppliers to be shipped directly to foreign locations which we prescribe. We have directed these US-based third party companies to export goods in the manner described to the following locations: Norway, South Africa, Mauritius, Japan, Australia, Singapore, Antarctica (Troll, Norwegian claim), Argentina, Portugal, Chile, Ireland, and Dubai. As well, we have contracts with US companies which act as resellers or agents for our AIS products and services. In both cases, where an export license is required, the US supplier is responsible for validating with US government authorities that the export from the US is authorized and for obtaining the proper US permits to export the items from the United States.

We also purchase goods from US companies that are controlled under the US International Traffic in Arms Regulations ("**ITAR**") and the Export Administration Regulations ("EAR") pursuant to technical assistance agreements ("**TAAs**"), export licenses and other authorizations obtained by our US suppliers. In some cases, we may need to engage in back and forth exchanges of technical data or reexports of equipment and software. Our US suppliers have obtained the necessary TAAs and other authorizations required for the transfer of hardware (equipment), software, technical data and services involved in both the First and Second Generation Constellations. As the recipient of US-origin controlled goods, we are subject to compliance obligations and restrictions under the US regulations and the terms of the applicable export authorizations, including restrictions on reexports and retransfers of the controlled goods to unauthorized destinations and third parties. Where the Company has directed a US company to export an item which is controlled, such as transmission-capable ground station equipment, the exporting party assumes responsibility for obtaining applicable US export licenses.

Under the Harris Agreement, each party is responsible for compliance with all applicable export control laws and with any applicable authorizations issued pursuant to such laws, including obtaining all applicable export permits or licenses for controlled goods.

Any failure to obtain or maintain the required authorizations, or to comply with applicable export control regulations, could negatively impact our business.

Sanctions

With respect to Canadian and UK law, we and our UK Subsidiary do not knowingly directly provide data or technology to countries or persons who are the subject of sanctions or area control. We maintain internal processes and procedures which ensure that we and our UK Subsidiary do not do so. In addition, our agreement with resellers and agents prohibit them from providing our AIS products or services to countries or person who are the subject of sanctions or area control under Canadian and UK law or the law of the applicable jurisdiction. Additionally, where we have directed US companies to export controlled goods, we further rely on our US exporters to ensure their compliance with applicable US sanctions law. In this regard, we have no reason to believe our resellers, agents or exporters are or have been in violation of any applicable US sanctions law or other applicable sanctions law.

The conditions of the provisional RSSSA approval restrict the transfer of remote sensing data as follows: no commercial sales of data or data products from the satellites listed in the provisional licence are permitted to entities listed under Canada's Anti-Terrorism Act, the Criminal Code and the Foreign Policy and Economic Sanctions List administered by DFATD. We maintain internal processes and procedures which ensure that we and our UK Subsidiary do not do so. Management confirms that we are compliant with these conditions of the provisional RSSSA approval.

Anti-Bribery and Corruption of Foreign Officials

Any third party who may represent us in a business development capacity (e.g., consultants, agents, distributors, re-sellers, integrators) outside of Canada, the US or the UK or any third party who may engage with a public official outside of Canada, the US or the UK or any third party located within Canada, the US or the UK conducting business outside of these countries on our behalf are subject to our internal due diligence review to ensure that they are not violating Canadian laws on anti-bribery and corruption of foreign officials. In addition, we are aware of the Corruption Perception Index and the countries that score high on this Index. There have been no internal or external investigations regarding non-compliance with anti-bribery and corruption laws, there are currently none underway, and no disclosures needed to have been made.

CORPORATE STRUCTURE

Corporate History

We were originally incorporated as COM DEV Space Systems Ltd. under the *Canada Business Corporations Act* (the "**CBCA**") on August 11, 2006, but we did not commence commercial operations until 2009. We changed our name to exactEarth Ltd. on June 8, 2009. Our principal business office and registered office is located at 60 Struck Court, Cambridge, Ontario, N1R 8L2.

Prior to the Offering, our authorized and issued share capital has included multiple share classes. Concurrent with the Offering, our capital structure will be simplified such that our authorized capital will consist of a single class of Common Shares and a single class of preferred shares, issuable in series from time to time on terms determined by the Board of Directors. See "Capital Reorganization".

As of the Closing Date, our only subsidiary is exactEarth Europe Ltd., a wholly-owned subsidiary incorporated under the laws of England and Wales, which operates our European data operations and applications development business.

Three Year Business Development History

Since we commenced commercial operations we have pioneered S-AIS technology and have deployed an operational data processing supply chain with our First Generation Constellation, receiving ground stations, patented decoding algorithms and advanced Big Data processing and distribution facilities. Over the last five years, we have delivered to our customers a view of maritime behaviours across all regions of the world's oceans unrestricted by terrestrial limitations.

S-AIS has grown to become an important component of global ship tracking and vessel behaviour analysis. Some applications of our services include vessel management, border security, trade monitoring, route analysis and environmental protection.

We deliver our AIS messages on either a recurring subscription or single payment basis, depending on the nature of the service. Subscription-based services comprised 80% of our revenue in fiscal year 2014. We have also begun to diversify our offerings into DaaS and IaaS products, which allow us to customize our data to suit the needs of our customers. Through this variety of products and services, we provide what management believes is the most advanced location-based information on maritime traffic available today.

We have grown our product offering from an initial single raw data service to eight additional services and we have grown to serve approximately 250 customers, including approximately 100 subscription customers. Some of our government customers include the Canadian Space Agency, the Canadian Department of Defence, the United States Coast Guard, the Australian Customs and Border Protection Service, the Argentinian Coast Guard and the South African Maritime Safety Authority. For additional information on our history over the previous three years, please see the section in the prospectus titled "Business of the Company — History of the Company".

USE OF PROCEEDS

We expect to receive $ ● in net proceeds from the Treasury Offering, after deducting the Underwriters' Fee estimated to be $ ● and estimated offering expenses of $ ●, payable by us. We intend to use the net proceeds from the Treasury Offering to repay approximately $44 million of loans owing by us to COM DEV and Hisdesat, with the remainder for new product development, improvements in infrastructure, sales and marketing and working capital and general corporate and administrative purposes.

We may also use a portion of the net proceeds to expand our current business through acquisitions of, or investments in, other complementary businesses, products or technologies. However, we have no agreements or commitments with respect to any acquisitions or investments at this time.

As noted above, approximately $44 million of the net proceeds from the Treasury Offering will be dedicated to repaying outstanding indebtedness owed by us to COM DEV and Hisdesat. Approximately $17.0 million of that indebtedness was incurred pursuant to the terms of an intercompany loan agreement dated July 30, 2012 among COM DEV and Hisdesat, as lenders, and us, as borrower, with interest on such indebtedness accruing at the rate of 8% per annum. Approximately $4.5 million of that indebtedness was in relation to partial satisfaction of the US$6 million commitment fee under the Harris Agreement that is payable on June 30, 2015. The balance of the indebtedness has been incurred over the two years preceding the date of this prospectus in the form of intercompany loans (although not subject to separate loan agreements), with interest accruing at the same rate of 8% per annum. We incurred the majority of this indebtedness to fund our ongoing operations as a private company and for general corporate purposes. Following Closing, we expect to not have any indebtedness to either of COM DEV or Hisdesat.

While we currently anticipate that we will use the net proceeds from the Treasury Offering as described above, we may re-allocate the net proceeds from time to time depending upon changes in business conditions prevalent at the time. Pending use of the net proceeds received by us from the Treasury Offering (other than the net proceeds used to fund debt repayment which will be so applied shortly after the Treasury Offering), such proceeds shall be invested in short-term, interest-bearing securities such as government securities, commercial paper and other highly rated investment grade securities.

Proceeds from the Sale of the Over-Allotment Shares

The aggregate net proceeds to be received by the Selling Shareholders from the sale of the Over-Allotment Shares, if any, upon the exercise of the Over-Allotment Option are estimated to be $ ● (if the Over-Allotment Option is exercised in full), after deducting that portion of the Underwriters' Fee payable by the Selling Shareholders. We will not receive any of the proceeds payable to the Selling Shareholders upon the exercise of the Over-Allotment Option. The Selling Shareholders will pay the Underwriters' Fee in respect of any Common Shares sold under the Over-Allotment Option, if the Over-Allotment Option is exercised, but will not pay any expenses of the Offering in connection therewith as the incremental costs are not material. The Selling Shareholders are responsible for any and all legal fees and expenses incurred by legal advisors retained by the Selling Shareholders. See "Principal and Selling Shareholders".

CONSOLIDATED CAPITALIZATION

As at May 1, 2015 (without giving effect to the Capital Reorganization), 10,000,000 Class A Common Shares and 1,111,111 Class B Common Shares were issued and outstanding.

The following table sets forth our capitalization as at May 1, 2015 and our *pro forma* capitalization as at May 1, 2015 after giving effect to the Capital Reorganization, the Offering (assuming no exercise of the Over-Allotment Option) and the repayment of certain indebtedness with the proceeds of the Treasury Offering. This table should be read in conjunction with our annual and interim consolidated financial statements and the related notes included elsewhere in this prospectus and with the information set forth under "Summary Financial Data", "Management's Discussion and Analysis", "Use of Proceeds" and "Capital Reorganization".

	As at May 1, 2015	***Pro forma*** **May 1, 2015 after giving effect to the Capital Reorganization and the Offering**[(1)]
	(In thousands of Canadian dollars)	
Debt		
Shareholder loans	35,018	—
Government loan	1,967	1,967
Equity		
Share capital	55,120	●
Contributed surplus	249	249
Accumulated other comprehensive loss	(117)	(117)
Deficit	(32,757)	(32,757)

(1) As noted, this gives effect to the Capital Reorganization, the Offering (assuming no exercise of the Over-Allotment Option) and the repayment of indebtedness with the proceeds of the Treasury Offering. See "Use of Proceeds" and "Capital Reorganization".

DIVIDEND POLICY

We have not paid dividends to the holders of our Common Shares to date. Dividends may be paid if and when operational and financial circumstances permit. The declaration and payment of dividends on our Common Shares is at the discretion of our Board of Directors. Our dividend policy will be reviewed from time to time by our Board of Directors in the context of our earnings, financial condition and other relevant factors.

CAPITAL REORGANIZATION

Our authorized capital currently consists of an unlimited number of Class A Common Shares and Class B Common Shares. Prior to the Closing, our shareholders will amend the constating documents such that the resulting entity will have the following authorized capital (the "**Capital Reorganization**"):

- an unlimited number of Common Shares; and
- an unlimited number of Class A Preferred Shares, which can be issued in series from time to time on terms determined by the Board of Directors.

Following the Capital Reorganization, each of the Selling Shareholders will hold the same number of Common Shares as they held Class A Common Shares and Class B Common Shares prior thereto. As of the date of this prospectus, assuming the Capital Reorganization has been completed as of such date and without taking into account the Offering, there are 11,111,111 Common Shares outstanding and no Class A Preferred Shares.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets out selected consolidated financial information for the periods indicated. The selected financial information as at October 31, 2014 and 2013 and for the financial years ended October 31, 2014, 2013 and 2012 has been derived from our audited consolidated financial statements and related notes appearing elsewhere in the prospectus. Our audited consolidated financial statements appearing elsewhere in this prospectus have been audited by Ernst & Young LLP. Ernst & Young LLP's report on these consolidated financial statements is included elsewhere in this prospectus.

We end our quarter on the last Friday of every quarter, regardless of whether that day is the last calendar day of the month, resulting in a floating period end. The selected financial information as at May 1, 2015 and for the six month periods ended May 1, 2015 and May 2, 2014 has been derived from our unaudited interim condensed consolidated financial statements and related notes appearing elsewhere in the prospectus. The unaudited interim condensed financial statements have been prepared on a basis consistent with our audited consolidated financial statements. In the opinion of management, such unaudited financial statements reflect all adjustments necessary for a fair presentation of the results for those periods.

The selected consolidated financial information should be read in conjunction with our annual and interim consolidated financial statements and the related notes, and with "Management's Discussion and Analysis", "Consolidated Capitalization", "Capital Reorganization" and "Use of Proceeds" included elsewhere in this prospectus.

	Year ended October 31,			Six months ended	
	2014	2013	2012	May 1, 2015	May 2, 2014
	(In thousands of Canadian dollars, except per share amounts)				
Consolidated Statement of Comprehensive Loss					
Revenue	$ 15,836	11,978	9,640	$ 11,357	$ 7,726
Cost of revenue	7,696	6,644	7,453	5,134	3,760
Gross margin	8,140	5,334	2,187	6,223	3,966
Gross margin %	*51.4%*	*44.5%*	*22.7%*	*54.8%*	*51.3%*
Operating expenses					
Selling, general and administrative	5,426	4,410	4,504	3,477	2,618
Research and development	54	138	190	31	23
Product development	928	650	710	701	409
Restructuring charges	—	96	365	—	—
Depreciation & amortization	4,737	4,151	2,222	2,737	2,200
Loss from operations	(3,005)	(4,111)	(5,804)	(723)	(1,284)
Other income	(78)	(409)	—	—	(80)
Other expense	5	51	40	148	4
Foreign exchange loss (gain)	108	3	29	267	(155)
Interest expense	665	357	60	667	337
Loss before income taxes	(3,705)	(4,113)	(5,933)	(1,805)	(1,390)
Income tax expense	—	—	—	—	—
Net Loss	$ (3,705)	(4,113)	(5,933)	$ (1,805)	$ (1,390)
Foreign currency translation adjustments	(50)	(12)	—	(55)	(96)
Comprehensive loss	(3,755)	(4,125)	(5,933)	(1,860)	(1,486)
Net loss per share					
Basic and diluted	$ (0.33)	$ (0.37)	$ (0.53)	$ (0.16)	$ (0.13)
Weighted average number of Common Shares outstanding					
Basic and diluted	11,111,111	11,111,111	11,111,111	11,111,111	11,111,111

	As at October 31, 2014	As at October 31, 2013	As at May 1, 2015
	(In thousands of Canadian dollars)		
Consolidated Statement of Financial Position			
Cash and cash equivalents	$ 2,403	$ 1,615	$ 3,462
Trade receivables	2,826	2,500	2,970
Other current assets	2,431	842	2,230
Property, plant and equipment	40,858	41,624	42,878
Intangible assets	14,370	12,000	14,102
Total assets	62,888	58,581	65,642
Accounts payable and accrued liabilities	5,342	2,489	4,873
Deferred revenue	977	367	707
Current portion of long-term debt	256	37	553
Long-term debt	31,781	27,578	36,432
Long-term profit sharing plan liability	176	—	582
Total liabilities	38,532	30,471	43,147
Total shareholders' equity	24,356	28,110	22,495
Total liabilities and equity	62,888	58,581	65,642

MANAGEMENT'S DISCUSSION AND ANALYSIS

*The following management discussion and analysis ("**MD&A**") provides information that management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition for the financial years ended October 31, 2014, 2013 and 2012 and for the three and six month periods ended May 1, 2015 and May 2, 2014. This MD&A should be read in conjunction with our annual audited consolidated financial statements and the notes thereto (the "**Consolidated Financial Statements**") and our unaudited interim condensed consolidated financial statements (the "**Interim Condensed Consolidated Financial Statements**") included elsewhere in this prospectus. The Consolidated Financial Statements have been prepared in accordance with IFRS and are reported in Canadian dollars. Some of the information in this MD&A contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those indicated or underlying forward-looking statements as a result of various factors, including those described in "Risk Factors" and elsewhere in this prospectus. Unless otherwise noted, the information contained herein is dated as of May 1, 2015.*

Non-IFRS Measures

In this MD&A, we provide information about Order Bookings, EBITDA, Adjusted EBITDA, EBITDA Margin and Subscription Revenue. Order Bookings, EBITDA, EBITDA Margin and Subscription Revenue are not defined by IFRS and our measurement of them may vary from that used by others. These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement the IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS.

Overview

We are a leading provider of global maritime vessel data for ship tracking and maritime situational awareness solutions. Since our establishment in 2009, we have pioneered S-AIS maritime surveillance and have delivered to our clients a view of maritime behaviours across all regions of the world's oceans that is unrestricted by terrestrial limitations. We have deployed an operational data processing supply chain with our First Generation Constellation, receiving ground stations, patented decoding algorithms and advanced Big Data processing and distribution facilities. This ground-breaking system provides a comprehensive picture of the location of AIS equipped maritime vessels throughout the world and allows us to deliver data and information services characterized by high performance, reliability, security and simplicity to large international markets.

The consolidated financial statements include the accounts of our Subsidiary with inter-company transactions and balances eliminated. We have two locations, one in Cambridge, Ontario, Canada and the other in Harwell, UK. Immediately prior to the Closing, COM DEV and Hisdesat will hold 73% and 27% respectively of the issued and outstanding Common Shares. See the section titled "Principal and Selling Shareholders" in this prospectus for further information regarding our principal shareholders and the number of Common Shares they hold prior to and following the Closing.

Key Components and Functions of our Product Offering

*Automatic Identification System ("**AIS**")*

Since 2004 all major ships in the world are required by the IMO to carry an AIS transponder which constantly transmits VHF radio signals containing information about the ship (name, destination, cargo) as well as its movement (position, course, heading speed etc.) In a typical seven-day period, we track approximately 165,000 AIS-equipped vessels. This capability is further enhanced by our patented capability to track small vessels in the open ocean utilizing a new class of specially modified Class B AIS transponders. We anticipate that with this added capability, our addressable market will increase to more than 1 million vessels by 2020. AIS was originally designed as a collision avoidance system; however, it has been widely recognised for some time that such open broadcast information can be collected and used to track and monitor shipping activity close to shore only from terrestrial AIS stations (the system is physically limited by the curvature of the earth and is only effective for approximately 50 nautical miles, or approximately 100 kilometres).We have led the way in overcoming this shortcoming by pioneering the reception of such AIS signals from LEO satellites, thus eliminating the distance limitation imposed by the terrestrial AIS stations, and for the first time in maritime history providing a real-time unrestricted global view of all shipping regardless of location, and importantly, proximity to a coastline.

Satellites

We receive AIS data from our constellation of LEO satellites. The first satellite, EV-0 was launched by COM DEV in 2008 for the purpose of validating the concept of collecting maritime AIS signals from space, but is now non-operational. Between 2011 and 2013, we launched and commissioned four more advanced AIS satellites, including EV-1, EV-2, EV-5 and EV-6. These satellites incorporated advanced AIS payloads designed to further improve AIS message detection from space. Our satellite constellation grew once again in December 2014 when we announced the successful integration of three advanced in-orbit AIS satellites into our exactView constellation through a contract under which we purchased one satellite, EV-11, and exclusively licensed data from two more. These are month to month lease agreements which can be terminated at any point and are subject to minimum service level requirements. The data from these three additional AIS satellites significantly increased the capacity of our global vessel monitoring service, expanded our constellation to eight satellites, and further enhanced our world-leading AIS message detection performance from space. We expect to receive data from three additional satellites currently under construction and expected to be launched in 2015 and early 2016.

Ground infrastructure

We have deployed a network of international ground stations designed for highly reliable satellite payload downlinking, payload storage and payload transmission to our primary DPC for processing and distribution. The ground station facilities provide reception of AIS payload downloads and securely cache the payload data locally. The payload data is transmitted using encrypted high capacity links to the primary DPC. Ground stations are often equipped with redundancy devices to ensure the highest level of reliability.

Data processing centres and customer delivery

Upon reception at a ground station, the AIS information is forwarded through an extensive secure Virtual Private Network to one of our two DPCs both of which are located in Ontario, Canada. See "Business of the Company — Systems and Infrastructure."

Products and services

Through a variety of products and services, we provide what we believe to be the most advanced location-based information on maritime traffic commercially available today. We provide the flexibility needed to customise our services and products suited to the needs of our customers on a timely basis.

Subscription Services encompasses the sale of DaaS, SaaS and IaaS. DaaS includes the provision of continuous data feeds in various formats and delivery systems through secure data connections over the Internet. We provide a SaaS solution that allows users to access the ship information derived from our AIS data sources within an easy-to-use mapping environment. Our value-added and Information Services product offerings encompass our IaaS solutions.

Data Products include raw data and customized reports derived from our extensive and growing archive dating back to July 5, 2010, including more than 6.5 billion S-AIS messages. Since we commenced commercial operations in 2009, we have tracked approximately 300,000 unique vessels.

Other Products and Services include special projects with governments and space agencies to research methods and applications around the satellite AIS business, as well as specific analysis and reporting contracts.

Customers

As the primary supplier of S-AIS data delivery, our customers include both Government departments (defense; intelligence and security; search and rescue; border patrol and maritime safety; government and space agencies and other ministries and organizations) and Commercial and Other customers (commercial fishing; business intelligence and risk management; port management; commercial offshore (oil and gas); commercial shipping; hydrographic and charting and other academic and research institutions). Our S-AIS data service provides enhanced maritime domain awareness for improved vessel management, scheduling, environmental protection, search and rescue operations, and defence and border securing applications.

Strategic alliances

In July 2014, we announced a strategic alliance with Genscape, a leading real-time energy information supplier to commercial markets. Genscape, having acquired our existing partner who provided the use of certain terrestrial stations, now currently provides the most extensive terrestrial AIS information available as well as expansive ship information.

In May 2013, we entered into a strategic collaboration agreement with SRT aimed at optimizing the reception of low cost AIS transponder transmissions from satellite. SRT is the leading provider of Class B AIS transponders, identifiers and other AIS-based products to the global market. The detection range of AIS transponders by a coastal monitoring system is approximately 50 nautical miles (or approximately 100 kilometres). However many vessels, large and small frequently operate outside of the detection range of such systems. The ability to reliably receive AIS transmissions from Class B transponders from space and therefore without coastal range limitations will enable countries to significantly improve their vessel monitoring capabilities.

On June 8, 2015 we announced the Harris Agreement which will allow us to apply our expertise and technology in AIS signal detections from space on-board Iridium NEXT. The payload utilizes Harris' powerful AppStar applications platform and will employ an in-orbit version of our patented AIS detection algorithms, creating an unrivaled AIS detection capability for global maritime tracking. The Second Generation Constellation will collect information across the entire maritime frequency band, and provide real-time access to and from the ground, enabling real-time delivery of the collected maritime information on a global scale.

Staffing

We rely on the knowledge and talent of our employees and we make use of their expertise in satellite operations, Big Data architecture, web services, software and product development and consulting services. The number of our employees has increased at a rate slower than the rate of growth of our revenue. The number of our employees at the end of fiscal 2014 was 51 (2013: 46, 2012: 42). The number of employees as at May 1, 2015 was 61.

Overall Performance

Target annual operating model

We have developed a target operating model in order to assist our business planning. The annualized model for the medium-term includes: Overall revenue growth greater than 30%; Adjusted EBITDA of 15%; gross profit of 50%; product development expense of 15%; selling, marketing and general and administrative expenses consisting of 20% of our overall revenue. The annualized model for the long term includes: Overall revenue growth greater than 30%; Adjusted EBITDA of 35%; gross profit of 60%; product development expense of 7.5%; selling, marketing and general and administrative expenses consisting of 17.5% of our overall revenue. The model is forward-looking over the medium-term and long-term and is subject to change and adjustment to respond to changing economic, business and financial conditions and other developments, including developments that we cannot currently predict. There can be no assurance that we will achieve our target operating model in any respect in any period, and if we do achieve it, such achievement may not be sustained. The model speaks to our objectives only, and is not a forecast, projection or prediction of future results of operations. Investors should not place undue reliance on our target operating model. See "Forward-Looking Statements".

Revenue grew to $15,836 for our 2014 fiscal year from $11,978 in 2013 and $9,640 in fiscal 2012. Government departments are our main target customers since our system capabilities are closely matched to their service requirements. Government customers contributed $12,172 to revenue in 2014 which was a 30% increase from the government customer revenues of $9,331 in 2013 and 15% increase over the government customer revenues of $8,093 in 2012. There was similar growth in non-government department customers during the same period with revenue growing from $1,547 in 2012 to $2,647 in 2013 and $3,664 in 2014.

Revenue for the three and six months ended May 1, 2015 increased to $5,939 and $11,357 compared to $4,286 and $7,726 in 2014. Government customer revenue for the first two quarters of 2015 increased to $9,667 compared to $6,189 in 2014, and commercial and other increased to $1,690 from $1,537. We have a sales force, marketing strategies and distribution agreements that should allow us to continue to grow with both types of customers.

As at October 31, 2014, we had unrealized subscription revenue totalling $30,894, as compared to the 2013 level of $11,873 and 2012 of $8,539. At May 1, 2015 we had unrealized subscription revenue totalling $21,919. Unrealized subscription revenue represents the amount subscriptions under contract for which we have not yet recognized revenue. Unrealized subscription revenue levels fluctuate as a function of the timing and size of subscription Order Bookings, the remaining length of the subscription terms and exchange rates at the reporting date.

	Subscription revenue expected to be realized in fiscal year:		
October 31, 2014 unrealized subscription revenue	**2015**	**2016**	**2017 and beyond**
$30,894	$18,738	$7,922	$4,234
	61%	26%	13%

	Subscription revenue expected to be realized in fiscal year:		
May 1, 2015 unrealized subscription revenue	**Remainder of 2015**	**2016**	**2017 and beyond**
$21,919	$9,760	$8,078	$4,081
	44%	37%	19%

The expected realization of subscription revenue is based on the remaining term of the subscriptions under contract at the end of 2014. This represents a portion of expected future revenue and actual results may differ materially from these expectations. See "Forward-Looking Statements" and "Risk Factors".

Volatility in exchange rates between Canadian and foreign currencies such as the US dollar, the Euro and the Pound sterling impact the business as a portion of our revenues are billed in non-Canadian currencies (predominately in Pounds sterling) and recognized in our Consolidated Statements of Financial Position in the form of cash, receivables and payables. The Bank of Canada average noon GBP/CAD exchange rate during fiscal 2014 was $1.8064, which compares to the 2013 average of $1.5917 and the 2012 average of $1.5862. The Bank of Canada average noon Euro/CAD exchange rate during fiscal 2014 was $1.4702, which compares to the 2013 average of $1.3443 and the 2012 average of $1.2980. The Bank of Canada average noon USD/CAD exchange rate during fiscal 2014 was $1.0906, which compares to the 2013 average of $1.0198 and the 2012 average of $1.0047.

The Bank of Canada average noon GBP/CAD exchange rates during the three and six months ended May 1, 2015 were $1.8813 and $1.8456 compared to $1.8397 and $1.7937 in 2014. The Bank of Canada average noon Euro/CAD exchange rates during the three and six months ended May 1, 2015 were $1.3706 and $1.3918 compared to $1.5218 and $1.4891 in 2014. The Bank of Canada average noon USD/CAD exchange rates during the three and six months ended May 1, 2015 were $1.2480 and $1.2081 compared to $1.1048 and $1.0875 in 2014.

We continued to make progress on our business plan throughout the periods reported. We achieved EBITDA of $1,697 for fiscal 2014 (2013: $395, 2012: ($3,651)), had Order Bookings of $34,857 (2013: $15,312, 2012: $13,644) and generated revenue of $15,836 (2013: $11,978, 2012: $9,640). We achieved EBITDA for the three and six months ended May 1, 2015 of $864 and $1,599 (2014: $719 and $1,147), Order Bookings of $2,038 and $3,902 (2014: $9,625 and $11,152) and generated revenue of $5,939 and $11,357 (2014: $4,286 and $7,726). For further details, please refer to the EBITDA reconciliation included later in this MD&A.

In 2013, we signed an interest-free loan agreement with the Federal Development Agency for Southern Ontario ("**FED DEV**"). Under this agreement, we are eligible to receive interest free repayable funding to a maximum of $2,491 to offset capital and operating expenditures. In 2014, we received proceeds of $410 (2013: $173) from FED DEV. For additional information, refer to note 4 (Government assistance) and note 7 (Loans payable, financial instruments and foreign exchange) in the notes to the Consolidated Financial Statements.

On July 30, 2012, COM DEV and Hisdesat made available a revolving credit facility of up to $17,000. The outstanding balance net of issue costs as at October 31, 2014 was $10,384 (2013: $8,014, 2012: $3,902). The facility had an initial term of one year and may be renewed for successive one-year periods at the option of the lender. COM DEV and Hisdesat have formally agreed to waive their rights to demand repayment of the principal owing until August 1, 2016. We can make principal repayments at any time and from time to time without notice, bonus or penalty. Interest accrues at the rate of 8% per annum, and is calculated and accrued monthly, with the monthly payment due on the first day of the next month. We made interest payments totalling $802 in 2014 (2013: $438, 2012: $106) and have not made any principal payments. In addition, we had accounts payable to COM DEV, primarily related to capital in progress for data rights and satellites, purchase of services and rent of $19,683 (2013: $18,209, 2012: $16,186). The balance was non-interest bearing during 2012-2014. For additional information, refer to note 7 (Loans payable, financial instruments and foreign exchange) and note 15 (Related parties) in the notes to the Consolidated Financial Statements.

The outstanding shareholder credit facility balance net of issue costs as at May 1, 2015 was $14,508 and the outstanding accounts payable to COM DEV was $20,509. During the three and six months ended May 1, 2015, we made interest payments on shareholder loans totalling $291 and $568 compared to $205 and $391 in 2014. COM DEV also charged interest on accounts payable for the three and six months ended May 1, 2015 of $366 and $732. For additional information, refer to note 6 (Loans payable, financial instruments and foreign exchange) and note 12 (Related parties) in the notes to the Interim Condensed Consolidated Financial Statements.

For an analysis of risks we face, please refer to the section titled "Risk Factors" in this prospectus.

Selected Annual Information

(in thousands of dollars except per share amounts)	2014	2013	2012
Revenue	$15,836	$11,978	$ 9,640
Gross Margin	8,140	5,334	2,187
Gross Margin %	51.4%	44.5%	22.7%
EBITDA[1]	1,697	395	(3,651)
EBITDA Margin[1]	10.7%	3.3%	(37.9)%
Loss from Operations	(3,005)	(4,111)	(5,804)
Net loss	(3,705)	(4,113)	(5,933)
Basic and diluted earnings per share	(0.33)	(0.37)	(0.53)
Total assets	62,888	58,581	
Deferred Revenue	977	367	
Other current liabilities	5,598	2,526	
Loans and borrowings	31,781	27,578	
Other non-current liabilities	176	—	

(1) As defined in non-IFRS measures.

Results of Operations

Revenue

We sell products in three broad categories: Subscription Services, Data Products and Other Products and Services. Generally, Subscription Services are sold with a one year period of service so that revenue is recognized equally over the contract term. Data Products and Other Products and Services are generally sold on an as-demanded basis and the revenue is recognized when the product is delivered to the customer. Revenue for the Data Products and for the Other Products and Services tends to be less predictable and is subject to fluctuations from one period to the next.

Revenues for the year ended October 31, 2014:

(in thousands of dollars)	Subscription Services	Data Products	Other Products & Services	Total revenue
Government departments	$ 9,707	$ 886	$1,579	$12,172
Commercial and Other	2,960	606	98	3,664
Total revenue	$12,667	$1,492	$1,677	$15,836

Revenues for the year ended October 31, 2013:

(in thousands of dollars)	Subscription Services	Data Products	Other Products & Services	Total revenue
Government departments	$ 8,383	$336	$612	$ 9,331
Commercial and Other	2,187	171	289	2,647
Total revenue	$10,570	$507	$901	$11,978

Revenues for the year ended October 31, 2012:

(in thousands of dollars)	Subscription Services	Data Products	Other Products & Services	Total revenue
Government departments	$7,257	$130	$ 706	$8,093
Commercial and Other	1,090	—	457	1,547
Total revenue	$8,347	$130	$1,163	$9,640

Our total revenue for 2014 was $15,836 compared to $11,978 in 2013 and $9,640 in 2012. The increasing trend in revenue is the result of both our growing customer base and the continuous expansion of our product offerings. This trend is expected to continue as we expand our satellite constellation on-board Iridium NEXT, expand our maritime market reach to new customers and applications and increase our data product offerings and other value-added services.

Subscription Services revenue was $12,667 in 2014 growing from $10,570 in 2013 and $8,347 in 2012. This subscription-based revenue represented 80% of our total revenue in 2014 compared to 88% in 2013 and 87% in 2012. Our Subscription Services revenue is more predictable and steady, and therefore provides a solid foundation for our revenue growth. Revenue from Data Products increased from $130 in 2012 to $507 in 2013 and $1,492 in 2014 which reflects our growing product offerings. Revenue from Other Products & Services, which are not predictable as they are generated from on-demand customer requests, was $1,163 in 2012, $901 in 2013 and $1,677 in 2014.

Revenues for the three months ended May 1, 2015:

(in thousands of dollars)	Subscription Services	Data Products	Other Products & Services	Total revenue
Government departments	$4,353	$553	$208	$5,114
Commercial and other	740	—	85	825
Total revenue	$5,093	$553	$293	$5,939

Revenues for the six months ended May 1, 2015:

(in thousands of dollars)	Subscription Services	Data Products	Other Products & Services	Total revenue
Government departments	$ 8,596	$558	$513	$ 9,667
Commercial and other	1,554	51	85	1,690
Total revenue	$10,150	$609	$598	$11,357

Revenues for the three months ended May 2, 2014:

(in thousands of dollars)	Subscription Services	Data Products	Other Products & Services	Total revenue
Government departments	$2,228	$ 876	$413	$3,517
Commercial and other	580	135	54	769
Total revenue	$2,808	$1,011	$467	$4,286

Revenues for the six months ended May 2, 2014:

(in thousands of dollars)	Subscription Services	Data Products	Other Products & Services	Total revenue
Government departments	$4,521	$ 876	$792	$6,189
Commercial and other	1,263	213	61	1,537
Total revenue	$5,784	$1,089	$853	$7,726

Our total revenue for the three and six months ended May 1, 2015 was $5,939 and $11,357, compared to $4,286 and $7,726 in 2014. Subscription Services continued to increase year over year, while Data Products and Other Products & Services decreased due to fewer orders in the period as compared to prior year.

Revenue by quarter

(in thousands of dollars)	Subscription Services	Data Products	Other Products & Services	Total revenue
Q3 2013	$2,655	$ 78	$ 89	$2,822
Q4 2013	3,038	154	575	3,767
Q1 2014	2,976	78	386	3,440
Q2 2014	2,808	1,011	467	4,286
Q3 2014	3,175	74	394	3,643
Q4 2014	3,708	329	430	4,467
Q1 2015	5,057	56	305	5,418
Q2 2015	5,093	553	293	5,939

Subscription Services revenue fluctuates depending on the number of days in a quarter and timing of subscription renewals. When normalized for the number of days per quarter, we have seen a steady increase in subscription revenue as customer base trended up. Purchases of Data Products and Other Products & Services is on demand, and therefore less predictable.

Gross margin

(in thousands of dollars)	Years ended October 31			% Change	
	2014	2013	2012	Year over year 2014/2013	Year over year 2013/2012
Gross margin	$8,140	$5,334	$2,187	53%	144%
Total gross margin %	51.4%	44.5%	22.7%		

Gross margin for 2014 averaged 51.4% compared to 44.5% in 2013 and 22.7% in 2012. Our gross margin percentage increased both during 2014 and 2013 due to higher revenue from our growing customer base and the successful commissioning of additional satellites, offsetting the increased operational costs of our expanded satellite constellation. Costs increase relative to the number of satellites and ground stations, and volume of data processing, rather than relative to the number of customers. Therefore, we expect that our cost base will grow more slowly than the growth of our revenues which will result in increased margin percentages. See "Business of the Company — Cost Structure."

(in thousands of dollars)	Three months ended		% Change
	May 1, 2015	May 2, 2014	
Gross margin	$3,388	$2,228	52%
Total gross margin %	57.0%	52.0%	

(in thousands of dollars)	Six months ended May 1, 2015	May 2, 2014	% Change
Gross margin	$6,223	$3,966	57%
Total gross margin %	54.8%	51.3%	

Gross margin for the three and six months ended May 1, 2015 averaged 57.0% and 54.8% compared to 52.0% and 51.3% in 2014. Our gross margin percentage increased as compared to prior year due to higher revenue, offsetting the increased operational costs of our expanded satellite constellation.

Other expenses

(in thousands of dollars)	Years ended October 31 2014	2013	2012	% Change Year over year 2014/ 2013	Year over year 2013/ 2012
Research and development expenses	$ 54	$ 138	$ 190	(61)%	(27)%
Selling, general and administrative expenses	5,426	4,410	4,504	23%	(2)%
Product development	928	650	710	43%	(8)%
Restructuring	—	96	365	(100)%	(74)%
Interest expense	665	357	60	86%	495%
Foreign exchange loss	108	3	29	3,500%	(90)%
Other income	(78)	(409)	—	(81)%	n/a
Other expense	5	51	40	(90)%	28%

Research and development (R&D)

(in thousands of dollars)	Year ended October 31 2014	2013	2012	% Change Year over year 2014/ 2013	Year over year 2013/ 2012
Research and development costs	$63	$ 240	$214	(74)%	12%
Research and development recovery	(9)	(102)	(24)	(91)%	325%
Net research and development expense	$54	$ 138	$190	(61)%	(27)%

With the external funding sources, there was $54 net expense for research and development in 2014 compared to a net expense of $138 in 2013 and $190 in 2012. R&D has decreased from prior years as the technology used to receive and de-collide AIS signals has matured and efforts have been more focused on customer facing product development.

Selling, general and administrative expenses

Selling, general and administrative expenses increased to $5,426 in 2014 compared to $4,410 in 2013 and $4,504 in 2012. Selling expenses will fluctuate from quarter to quarter and year to year depending on the volume of new subscriptions versus renewals and the timing of renewals. General expenses increased, reflecting our investment as we execute on our strategic plan.

Product development

Product development expenses increased to $928 in 2014 compared to $650 in 2013 and $710 in 2012 as more web based functionality was developed and new product offerings were in progress. The increase in 2014 related to the successful development and launch of the ShipView platform and exactAIS Density Maps.

Restructuring

We did not incur restructuring charges in 2014 compared to $96 in restructuring charges in 2013 and $365 in 2012. Restructuring during 2012 and 2013 was primarily related to the elimination and combination of certain executive level positions.

Interest expense

Interest charges primarily relate to our outstanding term debt facilities. We incurred interest expense of $665 in 2014 compared to $357 in 2013 and $60 in 2012. The increases year over year are primarily attributed to the increase in shareholder and government loans.

Foreign exchange

Foreign exchange amounts in the Consolidated Statements of Comprehensive Loss include realized and unrealized gains and losses that result from translation of foreign denominated balances in our Consolidated Statements of Financial Position. The impact of translation of outstanding foreign denominated balances in the Consolidated Statements of Financial Position and of settling foreign denominated balances into cash during the year was a loss of $108 in 2014, compared to a loss of $3 in 2013 and a loss of $29 in 2012.

Other income

Other income of $78 in 2014 compared to $409 in 2013 and nil in 2012 is related to the Fed Dev operating grant income. For additional information refer to note 4 (Government assistance) in the notes to the Consolidated Financial Statements.

Other expense

Other expense of $5 in 2014 compared to $51 in 2013 and $40 in 2012 comprising amortization of deferred financing expense and other miscellaneous expenses. For additional information refer to note 11 (Other expense) in the notes to the Consolidated Financial Statements.

Other expenses Q2

	Three months ended		
(in thousands of dollars)	**May 1, 2015**	**May 2, 2014**	**% Change**
Research and development	$ 16	$ 7	129%
Selling, general and administrative	1,926	1,420	36%
Product development	372	196	90%
Interest expense	347	173	101%
Foreign exchange loss (gain)	118	(64)	(284)%
Other income	—	(50)	(100)%
Other expense	92	—	n/a

	Six months ended		
(in thousands of dollars)	**May 1, 2015**	**May 2, 2014**	**% Change**
Research and development	$ 31	$ 23	38%
Selling, general and administrative	3,477	2,618	33%
Product development	701	409	71%
Interest expense	667	337	98%
Foreign exchange loss (gain)	267	(155)	(272)%
Other income	—	(80)	(100)%
Other expense	148	4	3,600%

Research and development (R&D)

R&D expenses remain low in the first two quarters of 2015 due to the maturity of the technology used to receive and de-collide AIS signals.

Selling, general and administrative expenses

Selling, general and administrative expenses increased to $1,926 and $3,477 in the three and six months ended May 1, 2015 compared to $1,420 and $2,618 in 2014. Selling expenses will fluctuate from quarter to quarter and year to year depending on the volume of new subscriptions versus renewals and the timing of renewals. General expenses increased, reflecting our investment as we execute on our strategic plan.

Product development

Product development expenses increased to $372 and $701 in the three and six months ended May 1, 2015 compared to $196 and $409 in 2014 as more web based functionality is under development and new product offerings are in progress.

Interest expense

Interest charges primarily relate to our outstanding term debt facilities. We incurred interest expense of $347 and $667 in the three and six months ended May 1, 2015 compared to $173 and $337 in 2014. The increases year over year are attributed to the increase in shareholder and government loans and the initiation of interest charges on intercompany balances due to COM DEV, beginning on November 1, 2014.

Foreign exchange

Foreign exchange amounts in the Consolidated Statements of Comprehensive Loss include realized and unrealized gains and losses that result from translation of foreign denominated balances in our Interim Consolidated Statements of Financial Position. The impact of translation of outstanding foreign denominated balances in the Interim Consolidated Statements of Financial Position and of settling foreign denominated balances into cash during the three and six months ended May 1, 2015 was a loss of $118 and $267, compared to a gain of $64 and $155 in 2014.

Other income

Other income was nil in 2015 compared to $50 and $80 in the three and six months ended May 2, 2014. Other income in 2014 related to the Fed Dev operating grant income. For additional information refer to note 4 (Government assistance) in the notes to the Interim Condensed Consolidated Financial Statements.

Other expense

Other expense of $92 and $148 in the three and six months ended May 1, 2015 compared to nil and $4 in 2014 is comprised of amortization of deferred financing expense and other miscellaneous expenses.

EBITDA

EBITDA for the years ended October 31:

	2014	2013	2012
Net loss	$(3,705)	$(4,113)	$(5,933)
Interest expense	665	357	60
Income tax expense	—	—	—
Depreciation and amortization	4,737	4,151	2,222
EBITDA	$ 1,697	$ 395	$(3,651)
Offering related expenses	—	—	—
Unrealized foreign exchange loss (gain)	112	(18)	(46)
Share-based compensation	2	32	71
Adjusted EBITDA	$ 1,811	$ 409	$(3,626)

EBITDA Q2 2015:

	Three months ended		Six months ended	
	May 1, 2015	May 2, 2014	May 1, 2015	May 2, 2014
Net loss	$ (851)	$ (609)	$(1,805)	$(1,390)
Interest expense	347	173	667	337
Income tax expense	—	—	—	—
Depreciation and amortization	1,368	1,155	2,737	2,200
EBITDA	$ 864	$ 719	$ 1,599	$ 1,147
Offering related expenses	255	—	255	—
Unrealized foreign exchange loss (gain)	38	(37)	169	(120)
Share-based compensation	—	—	—	2
Adjusted EBITDA	$1,157	$ 682	$ 2,023	$ 1,029

We expect EBITDA and Adjusted EBITDA to continue to increase as revenues scale up faster than costs.

Net loss

Net loss was $3,705 in 2014, compared to $4,113 in 2013 and $5,933 in 2012. The decrease in net loss is primarily attributed to increasing revenues year over year as the number of customers and product offerings increase. The increase in revenues were partially offset by increasing operating, development, selling and depreciation costs as ground stations were added, personnel increased and additional satellite assets were commissioned.

Net loss was $851 and $1,805 in the three and six months ended May 1, 2015, compared to $609 and $1,390 in 2014. The increase in net loss is primarily attributed to increasing operating, development, selling and depreciation costs as ground stations were added, personnel increased and additional satellite assets were commissioned, along with increased costs of executing our strategic plan. These cost increases were partially offset by increasing revenues year over year as the number of customers and product offerings increased.

Financial position

The following chart outlines the significant changes in the Consolidated Statements of Financial Position between October 31, 2013 and October 31, 2014:

(in thousands of dollars)	Increase/ (Decrease)	Explanation
Cash and cash equivalents	$ 788	Refer to the Consolidated Statements of Cash Flows in the Interim Condensed Consolidated Financial Statements.
Accounts receivable	$ 326	Billings exceeded collections in 2014.
Unbilled revenue	$1,470	Unbilled revenue reflects the amount of revenue recognized in advance of billings. The balance increased due to revenue recognition outpacing billings compared to prior year end.
Prepaid expenses and other	$ 85	Miscellaneous prepaid expenses, accrued at a rate faster than the related expenses were recognized.
Property, plant and equipment	$ (766)	Value of property, plant and equipment decreased as a result of $3,591 of depreciation, offset by capital expenditures of $2,794 and $31 relating to foreign exchange.
Intangible assets	$2,370	Intangible assets increased as a result of capital expenditures of $3,517, and were reduced by $1,147 of amortization.
Current accounts payable and accrued liabilities	$2,853	Increase in trade payables and accrued expense accounts outstanding at the end of 2014, primarily attributed to timing.
Deferred revenue	$ 610	Deferred revenue reflects the amount of billings that occur in advance of us recognizing revenue. The increase reflects this timing difference where billings outpaced revenue as compared to prior year end.
Due to related parties (current and non-current)	$3,844	Increase due to related parties is primarily attributed to the advances on the shareholder loan.
Government loan payable (current and non-current)	$ 578	Increase in government loan payable is primarily attributed to advances and imputed interest on the FED DEV loan.
Long-term profit sharing plan liability	$ 176	Increase in the long-term profit sharing plan during 2014 related to additional expected earnings growth.
Deficit	$3,705	Net loss of $3,705.
Accumulated other comprehensive loss	$ (50)	Increase attributed to foreign exchange on translation of the foreign subsidiary for the year ended October 31, 2014.

The following chart outlines the significant changes in the Consolidated Statements of Financial Position between October 31, 2014 and May 1, 2015:

(in thousands of dollars)	Increase/ (Decrease)	Explanation
Cash and cash equivalents	$1,059	Refer to the Consolidated Statements of Cash Flows in the Interim Condensed Consolidated Financial Statements.
Accounts receivable	$ 144	Billings exceeded collections in 2014.
Unbilled revenue	$ (496)	Unbilled revenue reflects the amount of revenue recognized in advance of billings. The balance decreased due to billings outpacing revenue recognition compared to prior year end.
Prepaid expenses and other	$ 352	Miscellaneous prepaid expenses, accrued at a rate faster than the related expenses were recognized.
Property, plant and equipment	$2,020	Value of property, plant and equipment increased as a result of capital expenditures of $4,066 and $12 relating to foreign exchange, offset by $2,058 of depreciation.
Intangible assets	$ (268)	Intangible assets decreased as a result of $679 of amortization, offset by capital expenditures of $411.
Current accounts payable and accrued liabilities	$ (469)	Increase in trade payables and accrued expense accounts outstanding at the end of 2014, primarily attributed to timing.
Deferred revenue	$ (270)	Deferred revenue reflects the amount of billings that occur in advance of us recognizing revenue. The decrease reflects this timing difference where revenue outpaced billings as compared to prior year end.
Due to related parties (current and non-current)	$4,951	Increase in due to related parties is primarily attributed to the advances on the shareholder loan and deferral of amounts due to related parties.
Government loan payable (current and non-current)	$ (3)	Decrease in government loan payable is primarily attributed principle payments made, offset by imputed interest on the FED DEV loan.
Long-term profit sharing plan liability	$ 406	Increase in the long-term profit sharing plan related to additional accrual of expense for the first six months of 2015.
Deficit	$1,805	Net loss of $1,805.
Accumulated other comprehensive loss	$ (55)	Increase attributed to foreign exchange on translation of the foreign subsidiary for the six months ended May 1, 2015.

Liquidity and capital resources

The key liquidity and capital resource items are as follows:

(in thousands of dollars)	May 1, 2015	October 31, 2014	October 31, 2013	% Change 2015/2014	% Change 2014/2013
Cash	$ 3,462	$ 2,403	$ 1,615	44%	(49)%
Trade accounts receivable	2,970	2,826	2,500	5%	13%
Accounts payable and accrued liabilities	4,873	5,342	2,489	(9)%	115%
Due to related parties	35,018	30,067	26,223	16%	15%
COM DEV loan	10,661	7,616	5,854	40%	30%
Hisdesat loan	3,847	2,768	2,160	39%	28%
Government loan	1,967	1,970	1,392	0%	42%

Significant cash flows:

(in thousands of dollars)	Years ended October 31, 2014	2013	2012	% Change Year over year 2014/2013	% Change Year over year 2013/2012
Cash from (used in) operating activities	$ 3,892	$ 119	$(1,621)	3,171%	(107)%
Cash used in investing activities	(5,930)	(5,911)	(8,157)	0%	(28)%
Cash from financing activities	2,833	5,879	3,931	(52)%	50%
Effect of exchange rate changes on cash and cash equivalents	(7)	24	2	(129)%	1,100%
Net (decrease) increase in cash and cash equivalents	$ 788	$ 111	$(5,845)	610%	(102)%
Cash and cash equivalents, beginning of year	1,615	1,504	7,349	7%	(80)%
Cash and cash equivalents, end of year	$ 2,403	$ 1,615	$ 1,504	49%	7%

Operating activities

We generated $3,892 of cash from operating activities in 2014 compared with $119 generated in 2013 and $1,621 used in 2012. We generated $2,508 from changes in working capital in 2014 compared to $364 in 2013 and $2,141 in 2012. The change in non-cash working capital balances in 2014 was mainly due to increases in accounts payable and accrued liabilities and due to related parties, offset by increases in accounts receivable and unbilled revenue.

Investing activities

We used $5,930 of cash for investing activities in 2014 compared with $5,911 in 2013 and $8,157 in 2012. The use of cash in 2014 is the result of acquisitions of property, plant and equipment totalling $2,412 compared to $3,182 in 2013 and $7,233 in 2012 and intangible assets totalling $3,518 compared to $2,729 in 2013 and $924 in 2012. Investments in property, plant and equipment primarily relate to satellite and ground station additions. Investments in intangible assets relate to computer software and data rights.

Financing activities

We generated $2,833 of cash from financing activities in 2014 compared to $5,879 in 2013 and $3,931 in 2012. The increase in cash from financing is primarily related to advances of government and shareholder loans.

	Three months ended		
(in thousands of dollars)	**May 1, 2015**	**May 2, 2014**	**% Change**
Cash from operating activities	$2,489	$2,188	14%
Cash used in investing activities	(85)	(976)	(91)%
Cash (used in) from financing activities	(82)	885	(109)%
Effect of exchange rate changes on cash and cash equivalents	(35)	57	(161)%
Net increase in cash and cash equivalents	$2,287	$2,154	6%
Cash and cash equivalents, beginning of year	1,175	1,066	10%
Cash and cash equivalents, end of year	$3,462	$3,220	8%

	Six months ended		
(in thousands of dollars)	**May 1, 2015**	**May 2, 2014**	**% Change**
Cash from operating activities	$ 1,020	$ 1,541	(34)%
Cash used in investing activities	(3,859)	(2,589)	49%
Cash from financing activities	3,918	2,558	53%
Effect of exchange rate changes on cash and cash equivalents	(20)	95	(121)%
Net (decrease) increase in cash and cash equivalents	$ 1,059	$ 1,605	(34)%
Cash and cash equivalents, beginning of year	2,403	1,615	49%
Cash and cash equivalents, end of year	$ 3,462	$ 3,220	8%

Operating activities

We generated $2,489 and $1,020 of cash from operating activities in the three and six months ended May 1, 2015 compared with $2,188 and $1,541 in 2014. We generated $1,810 and used $520 in working capital in the three and six months ended May 1, 2015 compared to $1,638 and $581 generated in 2014. The change in non-cash working capital balances in the six months ended May 1, 2015 was mainly due to an increase in due to related parties and a decrease in unbilled revenue, offset by decreases in accounts payable and accrued liabilities and deferred revenue and an increase in accounts receivable.

Investing activities

We used $85 and $3,859 of cash for investing activities in the three and six months ended May 1, 2015 compared with $976 and $2,589 used in 2014. The use of cash in the first six months of fiscal 2015 is the result of acquisitions of property, plant and equipment totalling $3,783 offset by reimbursement of $335 compared to $1,770 in 2014 and intangible assets totalling $411 in the first six months of fiscal 2015 compared to $819 in the first six months of fiscal 2014. Investments in property, plant and equipment primarily relate to satellite and ground station additions. Investments in intangible assets relate to computer software and data rights.

Financing activities

We used $82 and generated $3,918 of cash from financing activities in the three and six months ended May 1, 2015 compared to $885 and $2,558 generated in 2014. The increase in cash from financing is primarily related to advances of shareholder loans offset by repayment of the government loan.

Contractual obligations

The following table outlines the contractual obligations (excluding accounts payable and accrued liabilities) as at October 31, 2014:

	Total	Less than one year	1-3 years	4-5 years	After 5 years
Due to related parties	$30,898	$ 889	$30,009	$—	$—
Lease obligation	22	22	—	—	—
Government loan	2,462	328	1,476	658	—
Long-term profit sharing plan	183	—	183	—	—
Capital commitments	8,684	3,381	5,303	—	—
Total contractual obligations	$42,249	$4,620	$36,971	$658	$—

As at the end of fiscal 2014, we had various contractual obligations, including shareholder and government debt and capital commitments. The Company has entered into an arrangement effective March 17, 2015 and has committed to provide in-kind datasets, not licensed for commercial use, in exchange for title to the EV9 satellite, subject to certain restrictions on the use, sale or transfer of the satellite within the six year period ending March 31, 2021. Once the contributions are made and the six year period has expired, the Company will have free title to the EV9 satellite. No datasets have been transferred as at May 1, 2015. For additional information, refer to note 7 (Loans payable, financial instruments and foreign exchange) and note 10 (Commitments and contingencies) in the notes to the Consolidated Financial Statements.

The following table outlines the contractual obligations (excluding accounts payable and accrued liabilities) as at May 1, 2015:

	Total	Less than one year	1-3 years	4-5 years	After 5 years
Due to related parties	$35,018	$ 206	$34,812	$—	$—
Lease obligation	22	22	—	—	—
Government loan	2,379	492	1,476	411	—
Long-term profit sharing plan	604	—	604	—	—
Capital commitments	7,030	2,130	4,900	—	—
Total contractual obligations	$45,053	$2,850	$41,792	$411	$—

As at May 1, 2015, we had various contractual obligations, including shareholder and government debt and capital commitments. The Company has entered into an arrangement effective March 17, 2015 and has committed to provide in-kind datasets, not licensed for commercial use, in exchange for title to the EV9 satellite, subject to certain restrictions on the use, sale or transfer of the satellite within the six year period ending March 31, 2021. Once the contributions are made and the six year period has expired, the Company will have free title to the EV9 satellite. No datasets have been transferred as at May 1, 2015. For additional information, refer to note 6 (Loans payable, financial instruments and foreign exchange) and note 8 (Commitments and contingencies) in the notes to the Interim Condensed Consolidated Financial Statements.

Credit facilities

As at the end of fiscal 2014, we had balances owing under our credit facilities with COM DEV and Hisdesat of $10,384 and with FED DEV of $1,970. For additional information refer to note 7 (Loans payable, financial instruments and foreign exchange) in the notes to the Consolidated Financial Statements.

As at May 1, 2015, we had outstanding balances under our credit facilities with COM DEV and Hisdesat of $14,508 and with FED DEV of $1,967. For additional information refer to note 6 (Loans payable, financial instruments and foreign exchange) in the notes to the Interim Condensed Consolidated Financial Statements. We believe that we have sufficient resources to allow us to meet our business plan objectives, including normal commitments for capital expenditures for the current fiscal year.

Off-balance sheet arrangements

As at the end of 2014 fiscal year, we do not have any off-balance sheet arrangements, other than operating leases as disclosed in note 10 (Commitments and contingencies) in the notes to the Consolidated Financial Statements.

As at May 1, 2015, we do not have any off-balance sheet arrangements, other than operating leases as disclosed in note 8 (Commitments and contingencies) in the notes to the Interim Condensed Consolidated Financial Statements.

Transactions with related parties

During 2012, Hisdesat and COM DEV made available a revolving credit facility to us which is described in note 7 (a)(i) and (ii) in the notes to the Consolidated Financial Statements. During 2014, we made interest payments on these loans totalling $802 compared to $438 in 2013 and $106 in 2012. In addition, we have accounts payable to COM DEV, primarily related to capital in progress for data rights and satellites, purchase of services and rent. The accounts payable to COM DEV were non-interest bearing until the end of fiscal 2014. For additional information, refer to note 15 (Related parties) in the notes to the Consolidated Financial Statements.

During the three and six months ended May 1, 2015, we made interest payments on shareholder loans totalling $291 and $568 compared to $205 and $391 in 2014. The interest charged on accounts payable to COM DEV, primarily related to capital in progress for data rights and satellites, purchase of services and rent for the three and six months ended May 1, 2015 was $366 and $732 For additional information, refer to note 12 (Related parties) in the notes to the Interim Condensed Consolidated Financial Statements.

Proposed transactions

As at October 31, 2014 and May 1 2015, we did not have any proposed transactions. See subsequent events discussion below.

Subsequent events

On June 8, 2015, the Company formed a strategic alliance with Harris, which will provide for each party to have exclusive rights to a defined segment of the market including revenue sharing rights once the Iridium NEXT satellite constellation is deployed. The agreement specifies the Company will pay Harris $10 million USD in commitment fees in a series of installments by June 20, 2016, of which $1 million USD was paid during the first quarter of 2015 and $6 million USD is due by June 30, 2015.

Summary of Significant Accounting Policies

Critical accounting estimates

The preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates are based upon management's historical experience and various other assumptions that are believed by management to be reasonable under the circumstances. Such assumptions and estimates are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources as well as the periodic recognition of revenue and cost of revenue. Actual results could differ from these estimates.

We believe the following critical accounting policies affect its more significant estimates and assumptions used in the preparation of our financial statements.

Revenue recognition

The majority of revenue is derived from the sale of data subscriptions. For subscription revenue, the timing of cash flows generally precedes the recognition of revenue and income, any initial payments are deferred and recognized ratably as delivered over the subscription period. Revenue is recognized upon delivery for non-subscription data sales.

We occasionally provide goods and services to our customers under long-term contracts. We recognize revenue on long-term contracts on the percentage of completion basis, based on costs incurred relative to the estimated total contract costs. Losses on such contracts are accrued when the estimate of total costs indicates that a loss will be realized. Accruals are drawn down as loss contracts progress. Contract billings received in excess of recognized revenue are included in current liabilities.

Project costs to complete

At the outset of each customer project, an estimate of the total expected cost to complete the scope of work under contract is made. During the course of the projects, these estimates are reviewed and revised to reflect current expectations of cost to complete, and total cost. These estimates are based on specific knowledge of the status of the project, as well as historical understanding of costs on similar projects. Cost elements include material, direct labour, and overhead costs, with labour and overhead costs being determined using pre-established costing rates applied to estimated labour hours required to complete the scope of work under contract. These estimates are reviewed on a monthly and quarterly basis to ensure the estimates reflect the current expectations for total costs, however this is not a guarantee that unforeseen or additional costs won't be incurred, which would have an impact on project total cost, reported revenue, and gross margins. Management believes it has effective control procedures in place to ensure the validity of these estimates at the time they are made.

Useful life of intangible and long-term assets

We have established policies for determining the useful life of our intangible and long-term assets, and amortize the costs of these assets over those useful lives. The useful life for each category of asset is determined based on the expectation of our ability to continue to generate revenues, and thus, our cash flows. This ability is tested periodically to ensure the conditions still exist to allow the asset to be reflected at its net-recorded value in our accounts, and any impairment to the valuation is reflected in such accounts at the time the impairment is determined.

Recoverable amount for long-lived assets

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use, and is determined for an individual asset or at the CGU level if individual assets do not have largely independent cash inflows. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Capitalization of development costs

When capitalizing development costs, we must assess the technical and commercial feasibility of the projects and estimate the useful lives of resulting products. Determining whether future economic benefits will flow from the assets, and therefore, the estimates and assumptions associated with these calculations are instrumental in: (i) deciding whether project costs can be capitalized, and (ii) accurately calculating the useful life of our projects.

Employee benefits

We sponsor a defined contribution pension plan for all of our employees. The cost of providing benefits through the defined contribution pension plan is charged to income in the period in which the contributions become payable.

For certain employees, we provide a share in the growth of net income over a three-year period. The liability is calculated using forecasted net income from the applicable periods in excess of a minimum net income at the date of the award and then discounted using the market yields at the end of the reporting period on high quality corporate bonds. The expense is recognized on a straight-line basis over the vesting period of three years.

Financial instruments

The valuation of our financial instruments requires estimation of the fair value of each instrument at the reporting date. Details of the basis on which fair value is estimated are provided in note 7 (Loans payable, financial instruments and foreign exchange) in the notes to the Consolidated Financial Statements.

Changes in Accounting Policies Including Initial Adoption

Future changes in accounting policies

A number of new standards, and amendments to standards and interpretations were not effective for the year ended October 31, 2014, and have not been applied in preparing the Consolidated Financial Statements. The following standards and interpretations have been issued by the International Accounting Standards Board ("**IASB**") and the International Financial Reporting Interpretations Committees with effective dates relating to the annual accounting periods starting on or after the effective dates as follows:

International Financial Reporting Standard 9 Financial Instruments: Classification and Measurement

International Financial Reporting Standard 9 Financial Instruments: Classification and Measurement ("**IFRS 9**") as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. On November 19, 2013, the IASB published IFRS 9, Hedge Accounting, which is a part of the third phase of its replacement of IAS 39. The new requirements allow entities to better reflect their risk management activities in the financial statements. As part of the amendments, entities may change the accounting for liabilities that they have elected to measure at fair value before applying any of the requirements in IFRS 9. This change in accounting would mean that gains caused by a worsening in an entity's own credit risk on such liabilities would no longer be recognized in profit or loss. Because the second phase of the IFRS 9 project related to impairment is not yet completed, the IASB decided that a mandatory effective date of January 1, 2015 would not allow sufficient time for entities to prepare to apply IFRS 9. Accordingly, the IASB determined to apply a later mandatory effective date, which will be determined when IFRS 9 is closer to completion. However, entities may still choose to apply IFRS 9 immediately. IFRS 9 must be applied retrospectively; however, hedge accounting is to be applied prospectively (with some exceptions). The amendment becomes effective for us on November 1, 2018. The Company is currently assessing the impact of adopting this new standard.

International Accounting Standard 32 Financial Instruments: Presentation

In December 2011, International Accounting Standard 32 Financial Instruments: Presentation ("**IAS 32**") was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future event. We do not anticipate any material impact from the adoption of this standard on our Consolidated Statements of Income, our Consolidated Statements of Comprehensive Income or our Consolidated Statements of Financial Position. The amendment became effective for us on November 1, 2014.

IFRS Interpretations Committee ("**IFRIC**") 21 Levies

In May 2013, the IFRIC, with the approval by the IASB, issued IFRIC 21 — Levies. IFRIC 21 provides guidance on when to recognize a liability to pay a levy imposed by government that is accounted for in accordance with IAS 37 — Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, and is to be applied retrospectively. The Company is currently assessing the impact of adopting this interpretation on its Consolidated Financial Statements.

International Financial Reporting Standard 15 Revenue from Contracts with Customers

In May 2014, the IASB issued International Accounting Standard 15 Revenue from Contracts with Customers ("**IFRS 15**"), which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations. IFRS 15 is currently effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. We are currently assessing the impact of adopting this new standard.

Outstanding Share Data

Without taking into account the Closing but after giving effect to the Share Reorganization, we have 11,111,111 issued and outstanding Common Shares as of the date of this prospectus.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Immediately following the Closing, our authorized share capital will consist of an unlimited number of Common Shares and an unlimited number of Class A Preferred Shares issuable in series on terms determined by the Board of Directors. Immediately following the Closing, ● Common Shares will be issued and outstanding (assuming no exercise of the Over-Allotment Option) and there will be no Class A Preferred Shares outstanding. The summary below of the rights, privileges, restrictions and conditions attaching to the Common Shares is subject to and qualified in its entirety by reference to our articles and by-laws which will be available under our profile on SEDAR at www.sedar.com.

Common Shares

The holders of our Common Shares are entitled to one (1) vote in respect of each Common Share held at all meetings of holders of shares. The holders of the Common Shares are entitled to receive any dividends declared by us in respect of our Common Shares. The holders of our Common Shares will be entitled to receive our remaining property and assets available for distribution, after payment of liabilities, upon our liquidation, dissolution or winding-up, whether voluntary or involuntary. For a description of our dividend policy, see "Dividend Policy".

Advance Notice Procedures and Shareholder Proposals

Under the CBCA, shareholders may make proposals for matters to be considered at the annual general meeting of shareholders. Such proposals must be sent to us in advance of any proposed meeting by delivering a timely written notice in proper form to our registered office in accordance with the requirements of the CBCA. The notice must include information on the business the shareholder intends to bring before the meeting.

Our by-laws provide that shareholders seeking to nominate candidates for election as directors must provide timely notice in writing. To be timely, a shareholder's notice must be received at our registered office (i) in the case of an annual meeting of shareholders, not later than the close of business on the 30th day and not earlier than the opening of business on the 65th day prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement (the "**Notice Date**") of the date of the annual meeting was made, notice by a shareholder may not be given later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Our by-laws are designed to (i) facilitate an orderly and efficient annual meeting or, where the need arises, special meeting, process, (ii) ensure that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees, and (iii) allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

As a whole, these provisions are intended to provide shareholders, directors and our management with a clear framework for nominating directors. These provisions could also have the effect of delaying until the next shareholder meeting the nomination of certain persons for director that are favored by the holders of a majority of our outstanding voting securities.

Other than the advance notice procedures summarized above, our by-laws have terms that are customary for companies incorporated under the CBCA.

The summary of the advance notice requirements under our by-laws described above is qualified in its entirety by reference to the full text of our by-laws, a copy of which will be available under our profile on SEDAR at www.sedar.com.

OPTIONS TO PURCHASE SECURITIES

Prior to Closing, our Board of Directors will establish an incentive stock option plan dated ● (the "**Stock Option Plan**"), under which options may be granted to our executive officers, employees and consultants. Directors (other than those who are also executive officers) will not be entitled to stock options. For a summary of the terms of the Stock Option Plan, see "Executive Compensation — Compensation Discussion and Analysis — Long-Term Incentives". As of the Closing Date, an aggregate of ● Common Shares will be reserved for issuance under the Stock Option Plan.

As of the date of this prospectus, after giving effect to the Capital Reorganization, options to purchase an aggregate of ● Common Shares are outstanding under the Stock Option Plan. This represents ● % of our outstanding Common Shares after giving effect to the Capital Reorganization but before giving effect to the Offering, and ● % of our outstanding Common Shares after giving effect to both the Capital Reorganization and the Offering. The outstanding options are as described below:

Category	Common Shares Outstanding under Options Granted	Exercise Price(1) ($)	Expiry Date
Executive officers (● in total)			
Employees			
Other			

(1) Represents the weighted average exercise price of all outstanding options to purchase Common Shares, whether vested or unvested.

PRIOR SALES

There have been no Common Shares or securities that are convertible into Common Shares that have been issued by us during the twelve-month period prior to the date of this prospectus, including for greater certainty, no Class A Common Shares or Class B Common Shares or securities that are convertible into such shares issued by us during such period prior to the Capital Reorganization.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth information regarding beneficial ownership of our Common Shares by the Selling Shareholders as at the date of this prospectus and after giving effect to the Capital Reorganization. The Selling Shareholders are the only persons who, to the knowledge of our directors and executive officers, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying 10% or more of the voting rights attaching to any class of our voting securities.

	Shares Beneficially Owned Prior to the Offering[1]			Shares Beneficially Owned After the Offering[1]	
Name	Number of Common Shares Owned, Controlled or Directed[2]	% of Common Shares[3]	Common Shares to be sold pursuant to Over-Allotment Option[4]	Number of Common Shares Owned, Controlled or Directed (assuming no exercise of the Over-Allotment Option/assuming exercise in full of the Over-Allotment Option)	% of Common Shares (assuming no exercise of the Over-Allotment Option/assuming exercise in full of the Over-Allotment Option)[5]
COM DEV.	8,111,111	73	●	●/●	44.12%/39.79%
Hisdesat	3,000,000	27	●	●/●	16.32%/14.72%
Total:			●	●/●	60.44%/54.51%

Notes:

(1) After giving effect to the Capital Reorganization.

(2) All Common Shares owned, controlled or directed by the Selling Shareholders are owned of record and beneficially.

(3) On a fully-diluted basis, the % of Common Shares owned, controlled or directed by COM DEV and Hisdesat are ● % and ● %, respectively.

(4) If the Over-Allotment Option is exercised in full, the number of Common Shares to be sold by COM DEV and Hisdesat are ● and ● , respectively.

(5) On a fully-diluted basis, the % of Common Shares owned, controlled or directed by COM DEV and Hisdesat are ● / ● and ● / ● respectively.

As indicated in the table above, prior to the Offering, the Selling Shareholders own or control, directly or indirectly, an aggregate of 11,111,111 Common Shares representing all of the issued and outstanding Common Shares, assuming the completion of the Capital Reorganization.

We currently anticipate that COM DEV will sell approximately ● Common Shares if the Over-Allotment Option is exercised in full and that Hisdesat will sell approximately ● Common Shares if the Over-Allotment Option is exercised in full. As a result, after giving effect to the Offering (but assuming no exercise of the Over-Allotment Option), the Selling Shareholders will own or control, directly or indirectly, an aggregate of ● Common Shares, representing approximately 60.44% of the outstanding Common Shares. After giving effect to the Offering and assuming the Over-Allotment Option is exercised in full, the Selling Shareholders will own or control, directly or indirectly, an aggregate of ● Common Shares, representing approximately 54.51% of the outstanding Common Shares.

COM DEV

COM DEV has been a world leader in the design and manufacture of satellite subsystems for over 40 years. Their technology has reportedly been incorporated on more than 900 spacecraft, including over 80 percent of all commercial communications satellites ever launched. As a key supplier to virtually all of the world's satellite prime contractors, COM DEV has established a reputation for quality in an industry where reliable performance is an absolute imperative. For the fiscal year ended October 31, 2014, COM DEV reported that it had earned annual revenues of $208 million and that it had over 1,200 employees at facilities in Canada, the United States, the United Kingdom, India and China.

Hisdesat

Hisdesat was founded on July 17, 2001 as a government satellite services operator to act primarily in the areas of defense, security, intelligence and foreign affairs. Since 2005, they have been providing secure satellite communications services to government customers in Spain and other allied and friendly countries. Hisdesat is focused on the acquisition, operation and commercialization of systems orientated to space, with the purpose of providing strategic and communication services, for both civil and military applications.

RELATIONSHIPS WITH THE SELLING SHAREHOLDERS

Concurrently with the Closing, we and the Selling Shareholders will enter into the Nominating Agreements. The Selling Shareholders will also enter into the CDH Agreement with each other. The following is a summary of certain rights and obligations of the parties under the Nominating Agreements and the CDH Agreement, which summary is not intended to be complete, and is qualified by reference to, the terms of the CDH Agreement and the Nominating Agreements. The full text of the Nominating Agreements and the CDH Agreement will be filed with the Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.

CDH Agreement

Prior to Closing, the Selling Shareholders will have entered into the COM DEV — Hisdesat Agreement (the "**CDH Agreement**"), pursuant to which each of the Selling Shareholders have committed to vote their respective Common Shares: (i) in favour of each other's respective nominees under the applicable Nominating Agreement (as defined below) and (ii) in agreement on certain fundamental changes, which agreement shall be pursued by the Selling Shareholders using reasonable efforts. If the Selling Shareholders cannot agree on how to vote their shares in respect of a fundamental change, they will be deemed to have agreed to vote against the fundamental change. In addition, COM DEV has agreed that it will not take any action to remove a member of the Board of Directors, or support any such initiative, without consent from Hisdesat.

The CDH Agreement also provides that the Selling Shareholders shall grant each other a right of first offer or tag along rights when either Selling Shareholder wishes to sell its Common Shares. The Selling Shareholders have also granted each other a right to purchase a number of Common Shares to enable a Selling Shareholder to hold up to 33% of the outstanding shares of the Company on a fully diluted basis, where the other Selling Shareholder provides notice of its intent to distribute some or all of its Common Shares to its own shareholders, and the purchase price for such Common Shares shall be determined using the 30-day volume weighted average price of the Common Shares. The CDH Agreement may be terminated by agreement among the Selling Shareholders, and automatically if COM DEV's ownership interest in the Company falls below 20% or if Hisdesat's ownership interest in the Company falls below 10%. The Closing of the Treasury Offering is a condition precedent to the CDH Agreement.

Nominating Agreements

The Board of Directors will initially consist of seven directors. In connection with the Closing, we will also enter into a nominating agreement with each of the Selling Shareholders (together the "**Nominating Agreements**"), pursuant to which our Board of Directors will include two directors initially nominated by COM DEV and one director initially nominated by Hisdesat. Under the Nominating Agreements, for so long as a Selling Shareholder directly or indirectly beneficially own specified amount of Common Shares, it will have the right to nominate a specified number of directors for election to the Board of Directors at each annual meeting of the shareholders, as set out in the table below.

Percentage of Common Shares	Number of Directors
Greater than or equal to 20%	2
Less than 20% but not less than 10%	1
Less than 10%	None

Each Nominating Agreement shall automatically terminate when the Selling Shareholder that is a party to the agreement and its affiliates have a collective ownership interest in the Company that is less than 10%.

Hosted Payload Agreement

On May 27, 2015 we entered into a hosted payload agreement with Hisdesat. The agreement provides for the hosting of an enhanced AIS receiver and a dedicated downlink unit owned by the Company aboard the EV8 Satellite which is owned and operated by Hisdesat and which is pending launch. See the section "Systems and Infrastructure" above.

Non-Competition Agreement

Prior to Closing the Selling Shareholders will have entered into a non-compete agreement (the "**Non-Compete Agreement**") whereby each of the Selling Shareholders will have agreed that, for so long as they hold any Common Shares and for a period of 36 months following the time at which they cease to hold any Common Shares, they shall not, directly or indirectly, engage in certain activities which compete with the business of the Company.

Lease

We currently rent our office space from COM DEV pursuant to an agreement dated November 1, 2009, as amended and restated on September 30, 2010. Prior to Closing, we will enter into a commercial lease with COM DEV on standard market terms with respect to this office space.

Transition Services Agreement

COM DEV currently provides us with certain administrative services including payroll and benefits administration. Prior to Closing, we will enter into a transition services agreement to govern these arrangements, which shall expire on June 1, 2016.

Guarantees

The Selling Shareholders have provided guarantees for certain of our contractual obligations. Following Closing, we will agree to use our best efforts to have the Selling Shareholders released from such guarantees and to the extent this is not possible, we will agree to indemnify the Selling Shareholders from any obligations they may have pursuant to such guarantees.

IP License

We have recently acquired patents and patent applications from COM DEV in the field of systematic data distilled from broadcasts of AIS messages. In connection with this acquisition, we have granted to COM DEV an exclusive, irrevocable, perpetual, world-wide license to use the acquired intellectual property for any purpose outside of AIS data (systematic data distilled from broadcasts of AIS messages) applications. See "Risk Factors".

Reseller Agreement

Pursuant to a reseller agreement between us and Hisdesat signed in September 2010, Hisdesat acts as a reseller of our products for Spain, certain European customers, and a number of South American countries. This agreement is subject to periodic review between the parties.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information regarding our directors and officers at Closing. As of the date of this prospectus, our Board of Directors consists of Gary Calhoun, Michael Pley, John Stuart, Miguel Angel Garcia Primo and Miguel Angel Panduro Panadero. Prior to the filing of the final prospectus, each of Gary Calhoun, Michael Pley and John Stuart will resign from the Board and Peter Mabson will be appointed as an additional director such that there will be a total of 3 directors at the time of filing the final prospectus, consisting of Miguel Angel Garcia Primo, Miguel Angel Panduro Panadero and Peter Mabson. The other individuals designated below as directors are not currently directors of the Company. Each such individual has agreed to become a director of the Company and it is expected that such individuals will be appointed to the Board on or prior to Closing. As James Adamson, Kym Anthony, Maria Izurieta and The Honorable Dennis Kloske are not members of the Board at the time of this prospectus, we do not believe any of such individuals has any liability for the contents of this prospectus in such capacity under the applicable securities laws of the provinces and territories of Canada. Our directors are elected annually and they are expected to hold office until our next annual meeting of shareholders, at which time they may be re-elected or replaced.

Assuming the completion of the Capital Reorganization, the current and proposed directors and executive officers (as a group) owned, or exerted direction or control over, a total of ● Common Shares, representing ● % of our total outstanding Common Shares (or ● Common Shares, representing ● % of our total Common Shares following the Offering assuming the exercise in full of the Over-Allotment Option). Peter Mabson, Sean Maybee and certain other members of the management team will subscribe for a minimum of ● Common Shares (for proceeds to the Company of approximately $ ● in aggregate).

Name and Place of Residence	Position(s)/Title	Principal Occupation	Independent
Peter Mabson Cambridge, Ontario Canada	Director, President and Chief Executive Officer	Director, President and Chief Executive Officer of the Company	No
Sean Maybee Guelph, Ontario Canada	Chief Financial Officer	Chief Financial Officer of the Company	N/A
Graham Stickler West Montrose, Ontario Canada	VP, Products and Services	VP, Products and Services of the Company	N/A
David Martin Cambridge, Ontario Canada	VP, Global Sales and Marketing	VP, Global Sales and Marketing of the Company	N/A
Philip Miller Kitchener, Ontario Canada	VP, Operations and Engineering	VP, Operations and Engineering of the Company	N/A
Anita Davis, Kitchener, Ontario Canada	VP, Contracts & Organizational Development	VP, Contracts & Organizational Development of the Company	N/A
Kym Anthony(1)(2)(3) Toronto, Ontario Canada	Director, Chairman	Chair and Owner, Hybrid Partners (2014) Ltd.; Director, COM DEV	Yes
James Adamson(1)(2)(3) Virginia USA	Director	Owner/President, Monarch Precision	Yes
Miguel Angel Panduro Panadero Madrid Spain	Director	Chief Executive Officer, Hisdesat	No
Miguel Angel Garcia Primo Madrid Spain	Director	Chief Operating Officer, Hisdesat	No
The Honorable Dennis Kloske(2)(3) Paris France	Director	Director, Coldstream Resources, Ltd.	Yes
Maria Izurieta(1) Virginia USA	Director	Chief Financial Officer, 3Pillar Global	Yes

Notes:

(1) Member of the Audit Committee. Maria Izurieta is chair of the Audit Committee.

(2) Member of the Human Resources and Compensation Committee. James Adamson is chair of the Human Resources and Compensation Committee.

(3) Member of the Corporate Governance and Nominating Committee. The Honorable Dennis Kloske is chair of the Corporate Governance and Nominating Committee.

Biographies

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years.

Non-Executive Directors

Kym Anthony, *Director, Chairman*

Mr. Anthony received his BA from Simon Fraser University and his MBA from the University of Western Ontario in 1980. Mr. Anthony joined Wood Gundy (now CIBC World Markets) and later managed CIBC World Markets Fixed Income and Derivatives, and Treasury operations. After leaving Wood Gundy in 1993, Mr. Anthony joined TD Securities as Chairman and CEO, which position he held until 1998. Thereafter, he joined First Marathon as President, which, under his direction, became part of National Bank, a company where he held the position of President and Chief Executive Officer of National Bank Financial, until joining Dundee Securities Corporation in 2005, where he remained until 2007. He is a past Chairman of the Investment Dealers Association, and was the 2006 recipient of the "Person of Influence of the Year Award" at the Canadian Investments Award Ceremony.

James Adamson, *Director*

Mr. Adamson completed his Bachelor of Science in Engineering at the U.S. Military Academy at West Point in 1969, and a Master of Science degree in Aerospace Engineering at Princeton University in 1977. During his career in U.S. Army Aviation and Space, Mr. Adamson held commands in combat and peacetime around the world, including the Army Space Flight Detachment at Johnson Space Center. At the U.S. National Aeronautics and Space Administration ("**NASA**") from 1981 to 1992, Mr. Adamson was a test pilot and Space Shuttle astronaut and flew two Space Shuttle missions in 1989 and 1991. He also held leadership positions in management, operations and R&D. After NASA, Mr. Adamson served as President and CEO of Lockheed Engineering and Sciences Company, was Co-founder and Chief Operating Officer of United Space Alliance, and President and Chief Executive Officer for Honeywell Technology Solutions Inc. His experiences span the spectrum from policy making and execution, to design and implementation of governance risk management and compensation systems. Since 2001, Mr. Adamson has worked through his own company, Monarch Precision, advising aerospace companies and serving on boards of directors. Mr. Adamson is a 2010 graduate of The Director's College and a Chartered Director. He is admitted in the U. S Army Aviation Hall of Fame, holds numerous awards for valor and service, and was the 2010 recipient of the Gil Bennett Gold Standard Governance Award.

Miguel Angel Panduro Panadero, *Director*

Mr. Panduro is the current Chief Executive Officer of Hisdesat, having previously served as the Chief Executive Officer of Ingeniería de Sistemas para la Defensa de España. ("**ISDEFE**") between 2004 and 2012. His prior experience also includes roles as a member of the Committee for the Support of Technology COTEC, as management at the European Broadcasting Union's Digital Video Broadcasting and as chairman of the working group of the International Telecommunication Union, in addition to various other board memberships. In 2011, Mr. Panduro was awarded the "Engineer of the Year" by the Spanish Telecommunications Engineer Association. He holds a Master of Science degree in Telecommunication Engineering from the Polytechnic University of Madrid (Spain) as well as various diplomas in corporate governance, strategic business management and project management technology.

Miguel Angel Garcia Primo, *Director*

Mr. Garcia Primo has over 25 years of experience in the civilian and military aeronautics and space industries, in both the private and public sectors. Since 2001, he has been the chief operating officer and chief technical officer of Hisdesat. Mr. Garcia Primo joined us as a board member in 2010, and also serves on the board of several other satellite and communications technology companies. He previously worked at the Spanish National Institute of Aerospace Techology INTA, where his last position was Deputy General Manager for Research and Programs, both aeronautical and space. Mr. Garcia Primo graduated from the Higher Technical

School of Aeronautical Engineering at the Polytechnic University of Madrid in 1990 with a master's degree of Aeronautical Engineering and is an member of the Official Aeronautical Engineer Association of Spain.

The Honorable Dennis Kloske, *Director*

The Honorable Mr. Kloske has over 30 years of experience in the areas of technology development, national security and military strategy, having served as a political appointee under three different U.S. administrations. His U.S. Government experience includes appointments as chief of staff and defense cooperation advisor to the U.S. NATO ambassador, armaments advisor to the U.S. deputy secretary of defense, and executive director of the defense cooperation council of the U.S. Department of Defense, among others. In 2009, The Honorable Mr. Kloske established Coldstream Resources Ltd. which focuses on the development of satellites, satellite communication technologies, communications infrastructure and electronic warfare technologies. The Honorable Mr. Kloske is a graduate of Harvard College with an honours degree in International Relations, and studied military history and strategy at Oxford University as a Rhodes Scholar.

Maria Izurieta, *Director*

Ms. Izurieta has over 20 years of strategic and financial management experience in key executive positions in both emerging and publicly-traded technology companies. She is the Chief Financial Officer at 3Pillar Global, and has been the chief executive officer (acting) and chief financial officer of Wireless Matrix, chief financial officer at VIPdesk, and vice president of finance and administration for CyberCash, Inc. Ms. Izurieta began her career as an auditor with Coopers & Lybrand in its high-technology practice specializing in initial and on-going public offerings. Ms. Izurieta holds a Bachelor of Science degree in Accounting from Virginia Polytechnic Institute and State University.

Executive Officer Who Also Serves as a Director

Peter Mabson, *President, Chief Executive Officer and Director*

Mr. Mabson has 30 years of experience in the space sector and products businesses. Prior to joining the Company as President in 2009, Mr. Mabson held various executive positions within COM DEV. From 2002 until 2009, Mr. Mabson was Vice President of Corporate Development of COM DEV where he was responsible for corporate strategic planning and for mergers and acquisitions. Mr. Mabson has authored several technical papers related to satellite communications systems and previously served on the technology advisory board at Conestoga College in Kitchener, Ontario. Mr. Mabson graduated from McMaster University in 1981 with degrees in Engineering Physics and Business Management.

Executive Officers Who Do Not Serve as Directors

Sean Maybee, *Chief Financial Officer*

Mr. Maybee has over 20 years of management experience gained with PriceWaterhouseCoopers LLP, satellite manufacturing businesses, and in the data service industry. Prior to joining the Company in 2012, he was an employee of COM DEV since 2001, where he served as Vice President, Corporate Finance from 2008 to 2012. In that role he was responsible for recommending and implementing COM DEV's corporate financial strategy, including treasury, public reporting, internal controls and mergers and acquisitions. Mr. Maybee graduated from Wilfrid Laurier University, with a BA Honours Economics 1994, was awarded a CMA designation in 1996, achieved his Certified Public Accountant (Delaware) certificate in 1998, and earned an M.B.A. in 2005 from Wilfrid Laurier University.

Graham Stickler, *Vice President, Products and Services*

Mr. Stickler has over 30 years of experience in the public and private sectors in the design, building and implementation of geospatial based information technology solutions. Prior to joining the Company as Director of Global Marketing in 2011, Mr. Stickler was Marketing Director for Rolta Europe (Reading, UK) from 2009 until 2011, and Product & Marketing Director for 1Spatial Ltd. in Cambridge, UK from 2006 until 2009. He also previously served as Product Director at Exor Corporation (Bristol, UK). Mr. Stickler was also the inaugural

Chair of the OGC Working Group on Data Quality. Mr. Stickler graduated from Portsmouth University in the UK with a B.Sc (Hons) in Geographical Science in 1982 and completed a Research Thesis in Satellite Remote Sensing of Irrigated Areas under the M.Sc Program at Cape Town University in South Africa in 1985.

David Martin, *Vice President, Global Sales and Marketing*

Mr. Martin has over 25 years of commercial experience in data solutions services, including enterprise class software products and data service engineering solutions. Mr. Martin joined the Company in 2009 in the role of Vice President, Product Management, where he was responsible for the launch of our AIS data service, and in 2013 was appointed Vice President, Global Sales & Marketing. Prior to joining our team, Mr. Martin was the Vice President Sales & Marketing for Emforium Group Inc., from 2008 until 2009. He was also a Co-Founder and Chief Technology Officer for Metropolitan Systems Inc. Mr. Martin studied mathematics and computer science at the University of Waterloo.

Philip Miller, *Vice President, Operations and Engineering*

Mr. Miller has over 25 years of experience in the satellite and technology fields. Mr. Miller joined the Company in 2009 as a Senior Consultant to lead the implementation and deployment of our satellite constellation, ground station network, data processing and supporting operating staff. Mr. Miller was subsequently appointed Vice President of Operations & Engineering. Prior to joining the Company, Mr. Miller was responsible for the design and implementation of a Global Maritime VSAT Service for Globe Wireless LLC. He has also previously served as Vice President of Product Development for Telemedicine and Informatics at Resmed Corporation, and co-founded AvData Systems. Mr. Miller obtained a B.S degree in Applied Physics from Georgia Institute of Technology in 1983.

Anita Davis, *Vice President, Contracts & Organizational Development*

Ms. Davis is an executive with over 30 years' experience in the satellite industry. Prior to joining the Company in 2010 as Director of Contracts & Human Resources, Ms. Davis held various senior executive positions with COM DEV until 2002 and was responsible for, among other things, managing several high tech joint venture projects in Russia, China and Africa. Ms. Davis currently serves as Vice Chair of Cambridge North Dumfries Hydro Inc., and was previously appointed to Boards of Directors/Governors of Transparency International Canada, Cambridge Memorial Hospital, Women's Crisis Services of Waterloo Region, Trillium Waldorf School and St. John's Kilmarnock School. Ms. Davis graduated from Wilfrid Laurier University with a diploma in Business Administration and holds a Master of Science Degree in Organizational Development from American University, Georgetown, U.S.

Cease Trade Orders

None of our directors or executive officers has, within the 10 years prior to the date of this prospectus, been a director, chief executive officer or chief financial officer of any company (including us) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

Bankruptcies

None of our directors or executive officers or shareholders holding a sufficient number of securities to materially affect control over us has, within the 10 years prior to the date of this prospectus, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of our directors or executive officers or shareholders holding a sufficient number of securities to materially affect control over us has: (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest among us and our directors, officers or other members of management as a result of their outside business interests except that certain of our directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

Introduction

The following section describes the significant elements of our executive compensation program, with particular emphasis on the process for determining compensation payable to our President and Chief Executive Officer, our Chief Financial Officer and our other officers and employees that we have determined are "executive officers" within the meaning of National Instrument 51-102 — *Continuous Disclosure Obligations*. These individuals are referred to below as "Named Executives Officers" or "NEOs" and are:

- Peter Mabson, President and Chief Executive Officer ("**CEO**");
- Sean Maybee, Chief Financial Officer ("**CFO**");
- Graham Stickler, Vice President — Products and Services;
- Philip Miller, Vice President — Operations and Engineering; and
- David Martin, Vice President — Global Sales and Marketing.

Role of the Human Resources and Compensation Committee

At or prior to Closing, our Board will constitute the Human Resources and Compensation Committee in anticipation of us becoming a public company. The Human Resources and Compensation Committee will consist of three independent directors, James Adamson (Chair), Kym Anthony and The Honorable Dennis Kloske.

Following the constitution of the Human Resources and Compensation Committee, the Human Resources and Compensation Committee will assist the Board in fulfilling its governance and supervisory responsibilities, and overseeing our human resources, succession planning, and compensation policies, processes, and practices. The Human Resources and Compensation Committee's duties and responsibilities will entail setting objectives, evaluating performance, and ensuring that total compensation paid to our executive officers, personnel who report directly to the CEO and various other key managers is fair, reasonable and consistent with the objectives of our compensation program.

The Human Resources and Compensation Committee will meet at least once each quarter and will report on its activities to the Board. The activities the Human Resources and Compensation Committee undertakes will be derived from its mandate contained in the Human Resources and Compensation Committee Charter. At each regularly scheduled quarterly meeting, it is expected that the Human Resources and Compensation Committee will hold an in-camera session without management present.

The specific work of the Human Resources and Compensation Committee will include:

- setting performance objectives for the CEO, evaluating performance against these objectives, and recommending the CEO's compensation to the Board for approval;
- approving the corporate goals and annual objectives relevant to the compensation of all NEOs, and reviewing their compensation to ensure that it supports our business strategy, and aligns with its compensation philosophy;
- establishing a compensation peer group for purposes of assessing executive compensation;
- assessing our executive compensation structure, and how the compensation structure supports our strategic plan, governance and sound compensation risk management practices, as well as alignment to shareholder interests;
- establishing compensation plans and policies including the Annual Incentive Plan, long-term incentive policy, Stock Option Plan, Deferred Share Unit Plan, Share Unit Plan and Employee Share Purchase Plan;
- approving the executive compensation disclosure in future management information circulars;
- reviewing and recommending long-term incentive grants to NEOs and other employees under the Share Unit Plan and Stock Option Plan to the Board for approval; and
- reviewing our organization structure, succession plan, and talent pool, as well as the CEO's position description.

Based on these assessments, reviews and recommendations by the Human Resources and Compensation Committee, our full Board will make decisions regarding compensation of the CEO and other NEOs, including salaries, bonuses and long-term incentives, and will approve goals and objectives relevant to the compensation of our CEO and the other NEOs. The Board and Human Resources and Compensation Committee will also solicit input from our CEO regarding the performance of our other NEOs.

In anticipation of becoming a public company, our Board, upon recommendation from the Human Resources and Compensation Committee, will adopt certain changes to our existing executive compensation regime including severance, termination and change of control pay practices and will approve employment agreements for our NEOs. All such changes are subject to and conditional upon the completion of the Offering.

Compensation Consultant

In April 2015, we retained Mercer (Canada) Limited ("**Mercer**"), an independent consulting firm, to assist in the development of the post-Offering compensation structure for the CEO, other NEOs and directors. Pursuant to such engagement, Mercer has provided market data and analytical support including:

- assisting with the development of the post-Offering compensation structure and short- and long-term incentive plan design, in accordance with our compensation philosophy;
- proposing an industry-related peer group for evaluating the competitiveness of our compensation levels and practices;
- evaluating the market competitiveness of compensation for our NEOs; and
- assisting with the development of the director compensation program.

Mercer delivered its report on April 29, 2015 with subsequent updates delivered on May 13, 2015. The analysis and recommendations provided by Mercer were used to develop the compensation for the CEO and the other NEOs that is proposed to become effective on the completion of this Offering.

For its services in providing market data and analytical support with respect to our NEO and director compensation program, Mercer fees to date (as of May 31, 2015) regarding services provided are approximately $100,130. We are satisfied that all advice provided as part of the assistance rendered by Mercer is objective and impartial.

Identification and Mitigation of the Risks Associated with the Compensation Program

The Human Resources and Compensation Committee's responsibility in the risk oversight of our policies and practices will be derived from its mandate as specified in the Human Resources and Compensation Committee Charter. The Committee recognizes the risk implications of our compensation structure, and will consider the risks associated with the recommendations it makes to the Board regarding our overall compensation and benefits strategy and structure for its employees. In addition, when the Committee makes recommendations to the Board regarding the compensation and benefit programs applicable to the CEO, the NEOs or any executive officer, it will take into account any risks associated with such recommendations.

Identification of Compensation Risk

We will employ the following procedures to identify and mitigate compensation policies and practices that could encourage an NEO or an individual to take inappropriate or excessive risks:

- annual assessment of our compensation policies and practices including a review and analysis of those aspects of such policies and practices that may lead to risky behavior on the part of an NEO or any other relevant individual;
- dialogue and communication with third-party experts (as necessary) regarding an analysis of the risks associated with our compensation policies and practices and a review of the risk identification and mitigation practices employed by similar public corporations; and
- the scheduling of regular, in-camera, sessions of the Human Resources and Compensation Committee which will allow the members of the committee to discuss and analyze the risks associated with our compensation policies and practices free from the unstated influence and pressure that may be created by the presence of our management.

Mitigation of Compensation Risk

We will structure our NEO compensation program to employ the following procedures designed to effectively mitigate any excessive risks which may result from the implementation of our executive compensation policy and practices.

Risks Inherent with Incentive Awards	• The Human Resources and Compensation Committee, in conjunction with those people whom the Committee looks for guidance and counsel, will consider the risks associated with the targets and objectives chosen to measure performance for our annual incentive and long-term incentive plans. • The Human Resources and Compensation Committee will ensure that objectives do not expose us to inappropriate or excessive risks.
Pay Mix	• The variable component of our compensation program (which will include annual and long-term incentives) will represent a sufficient percentage of "at risk" compensation to motivate executives and our other employees to focus on both short and long-term results and performance criteria. • Elements of compensation, together, ensure a balance in the mix of fixed and variable compensation, short-term and long-term incentives, cash versus equity, and performance-based versus time-based awards.
Corporate Profitability Threshold	• All annual incentive plan payouts are subject to the achievement of a minimum Adjusted EBITDA threshold that must be achieved in order for the annual incentive plan to payout. This feature encourages decision making that is in our best long-term interests and the interests of our shareholders as a whole.
Capped Payouts	• The maximum amount that an employee can receive under the Annual Incentive Plan is capped at 2.0 times the target payout, and the maximum number of performance share units ("**PSUs**") an executive can receive at payout is 2x the target number of PSUs granted.
Effective Design of Long-Term Incentive Mix	• Unless otherwise specified elsewhere in this prospectus, restricted share units ("**RSUs**") cliff-vest at the end of a three-year period based solely upon length of service and PSUs cliff-vest at the end of a three-year period based on the achievement of Adjusted EBITDA growth targets. • Unless otherwise specified elsewhere in this prospectus, stock options vest over a three-year period — 40% vests after the first anniversary, 30% after the second anniversary, and 30% after the 3rd anniversary from the date of grant. Stock options are only valuable if the stock price appreciates from the option grant price. • A balance of time-vesting and performance-vesting long-term incentives and varied performance measures mitigate against taking short-term risks and aligns management with longer-term shareholder interests. In addition, PSUs are subject to a minimum Adjusted EBITDA threshold (set at the time of grant) that must be achieved in order for the PSUs to pay out.
Significant portion of pay "at risk" and pay subject to performance	• A significant portion of NEO and executive compensation will be "at-risk" through the annual and long-term incentive plans, which will provide for a strong pay-for-performance relationship.
Policy against Hedging	• No NEO will be permitted to purchase financial instruments (such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities either granted as compensation (as a result of any awards under the Share Unit Plan or any previous compensation arrangements) or held directly or indirectly by the NEO. • The policy will prohibit NEOs from hedging their equity-based compensation to ensure the intended alignment between NEO and shareholder interests. • In addition, executives who are also "insiders" are prohibited to exercise their stock options during blackout periods.
Executive Incentive Compensation Recoupment Policy	• The Board will implement a policy to permit the recoupment of compensation paid to the CEO and the CFO in the case of misconduct by those officers in certain circumstances.

By implementing practices to identify and mitigate the possible risks associated with its compensation policy and structure, the Human Resources and Compensation Committee will be able to identify any unmitigated risks associated with the compensation policies and programs that are reasonably likely to have a material adverse effect on us.

Power of Board or Human Resources and Compensation Committee to Exercise Discretion

In limited circumstances, the Board or the Human Resources and Compensation Committee will have the authority to exercise discretion to reduce or increase the size of any compensation award or payout due to an NEO. For example, the Board will have the authority to apply its discretion in the granting of option awards, such that the number of options granted may differ from the number of options generated as a result of applying the Black-Scholes Formula.

- In addition, pursuant to the provisions of the Share Unit Plan, the Human Resources and Compensation Committee will have sole discretion with respect to any and all designations, determinations, interpretations, and other decisions under or with respect to any award under the Share Unit Plan or with respect to the vesting or settlement of any award under the Share Unit Plan in the event of any resignation, termination, change in control, death, disability or retirement which may affect the NEO. This discretion includes the ability to vest and settle an award of RSUs or PSUs absent the attainment of the relevant time of service or performance goal.
- Finally, pursuant to the provisions of the Annual Incentive Plan, the Human Resources and Compensation Committee will have sole discretion regarding any and all designations, determinations, interpretations, and other decisions with respect to any award under the Annual Incentive Plan which may affect the NEO, including without limitation in the event of any resignation, termination, change in control, death, disability or retirement.

Compensation Discussion and Analysis

Approach to Compensation

Our compensation strategy is to attract and retain highly qualified and committed executive officers who have a history of proven success. Our executive compensation framework is designed to:

- **Align to shareholder interests** — align the interests of executive officers with the long-term interests of our shareholders through effective policy and program design
- **Align with our strategic plan** — align compensation with the achievement of our key strategic goals and execution of our business strategy over the short-term and long-term
- **Pay for performance** — evaluate and reward executive performance on the basis of key financial and non-financial performance measures which we believe closely correlate to long-term shareholder value creation
- **Effective risk management** — identify and mitigate any potential adverse consequences arising from compensation policies and practices that could encourage an NEO or an individual to take inappropriate or excessive risks

Our compensation philosophy is to provide total direct compensation opportunities that are competitive relative to the companies in our compensation comparator group based on company and individual performance, and offer an appropriate mix of fixed and variable compensation.

Benchmarking

The comparator group consists of 14 publicly-traded North American data analytics, asset tracking and machine-to-machine companies categorized in communication equipment, technology, software and services, and alternative carrier industries; generally of comparable revenue and market capitalization. The companies in the comparator group are expected to reflect our future financial outlook as a publicly-listed organization and have a level of complexity of operations and technologies comparable to us.

Comparator Group	Revenue(1)	Market Capitalization(1)
DigitalGlobe Inc.	$826	$2,861
Iridium Communications Inc.	$516	$1,155
Comtech Telecommunications Corp.	$438	$ 677
NCI Inc.	$400	$ 168
CalAmp Corp.	$298	$ 853
FleetMatics Group Inc.	$292	$1,696
Digi International Inc.	$243	$ 283
KVH Industries Inc.	$218	$ 247
Descartes Systems Group Inc.	$217	$1,465
LoJack Corp.	$177	$ 60
ORBCOMM Inc.	$121	$ 578
Numerex Corp.	$118	$ 265
Loral Space & Communications Inc.	$ 0	$3,071
UrtheCast Corp.	$ 0	$ 72

(1) Most recently reported revenue and market capitalization as of March 31, 2015.

Elements of Compensation

The table below describes the basic components of compensation for our NEOs.

Component	Objectives
Base Salary	• Attract and retain talent, as well as provide a predictable and steady income • Annual base salaries are based on market competitiveness, individual performance and internal equity
Pension, Benefits and Perquisites	• Provide market-competitive benefits to attract and retain talent. Includes group life, health and dental insurance programs that are available to all employees and limited perquisites for certain NEOs • NEOs participate in our defined contribution plan that is available to all employees
Annual Incentives	• All NEOs participate in the corporate Annual Incentive Plan (“**AIP**”) which was designed to motivate and reward achievement of annual corporate, divisional and personal performance objectives with a focus on corporate net income since it is a primary driver of shareholder value creation • For our VP Global Sales and Marketing, the AIP is structured around the achievement of revenue from new Order Bookings with additional rewards for achievements above the planned levels • Incentive targets are based on market competitiveness

Component	Objectives
Share Unit Plan	• Motivate and align NEOs and other executive officers and senior personnel with long-term strategy and shareholders' interests through grants of PSUs based on meeting 3 years Adjusted EBITDA growth objectives
Stock Options	• Motivate and align executives with shareholders' interests. Value of Options granted annually based on market competitiveness • Unless otherwise specified elsewhere in this prospectus, options vest over a three-year period — 40% vesting after the first anniversary, 30% after the second anniversary, and 30% after the 3rd anniversary from the date of grant. Value on exercise is based on the difference between the Common Share price and the grant price

Fixed Compensation

Base Salary

Base salary is provided as a fixed source of compensation for the CEO and other NEOs. Base salary for the CEO will be recommended annually by the Human Resources and Compensation Committee, working closely with the Chairman of the Board, and approved by the Board. For the other NEOs, base salaries will be reviewed by the Human Resources and Compensation Committee based upon input and recommendations provided by the CEO. The base salary review for each NEO will take into consideration factors such as current competitive market conditions, duties and responsibilities of the position and the performance and particular skills (such as leadership ability, management effectiveness, experience, responsibility and proven or expected performance) of the particular individual.

Base salaries may be increased for merit reasons, based on the executive's success in meeting or exceeding individual objectives. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

Pension

We will not provide a defined benefit plan for our NEOs. The NEOs will participate in a defined contribution plan that is available to all employees.

Benefits

Each NEO will participate in the standard benefits program available to all employees including group life, disability, health, dental, and retirement savings plan.

Perquisites

Peter Mabson will be eligible for a monthly car payment up to $1,000, plus all associated expenses. Sean Maybee will be eligible for a monthly car payment up to $500.

Variable Compensation

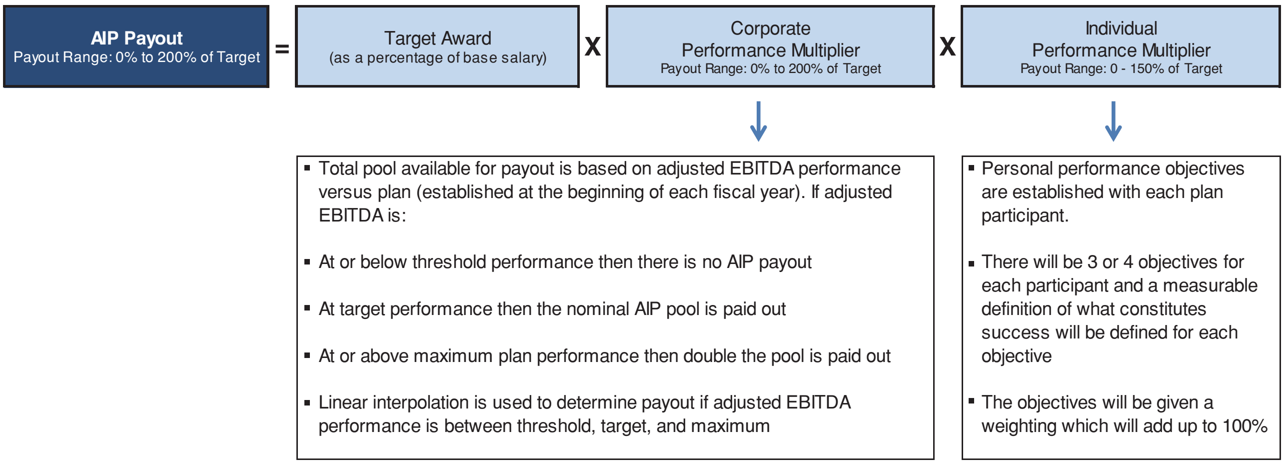
Annual Incentive Plan

Our Annual Incentive Plan will be designed to motivate the executives to achieve our short-term corporate goals. Under the plan, annual incentives for NEOs will be awarded based on the achievement of annual corporate objectives and personal performance objectives.

- Incentives have a high degree of focus on corporate Adjusted EBITDA as we believe this is a primary driver of shareholder value creation
- AIP targets are reviewed periodically to ensure market competitiveness with peer companies

- Target incentives vary by position, and maximum incentives for superior performance are 200% of target incentives
- The minimum incentive is zero for performance below thresholds

The following charts summarize NEO target and maximum incentives as a percentage of base salary and the formula used to determine annual incentive awards:



Source: Mercer

NEO	**Target Award (percentage of salary)**	**Maximum Award (percentage of salary)**
Peter Mabson, *President and Chief Executive Officer*	40%	80%
Sean Maybee, *Chief Financial Officer*	30%	60%
Graham Stickler, *Vice President — Products and Services*	30%	60%
Philip Miller, *Vice President — Operations and Engineering*	30%	60%
David Martin, *Vice President — Global Sales and Marketing*	50%(1)(2)	100%(3)

(1) In addition to receiving an annual AIP bonus, the VP Global Sales & Marketing is eligible for a sales bonus that rewards for the achievement of revenue growth above plan. Fiscal year 2015 annual incentives for Mr. Martin consists of:

(i) AIP component — target of 10% of base salary;

(ii) Sales bonus component — target of 40% of base salary. The sales bonus is earned as a commission on booked revenue for the achievement of new revenues booked versus planned new revenue. At $2.5 million below planned new revenue, the sales bonus amount is zero. At plan the sales bonus is paid at target. For revenue levels above plan, the sales bonus will grow at an accelerated rate with no cap — the rate is chosen such that at a level of $4.0 million above the total revenue plan for the year, the bonus payout is 200%;

(iii) Mr. Martin is eligible to receive a "Stretch Bonus" for the overachievement of order bookings versus plan for which an extra 5% of bonus can be earned; and

(iv) Mr. Martin is eligible to receive a "Super Bonus" with no caps on the overachievements of the 2015 revenue plan. The Super Bonus will be calculated as 5% of the revenue overage that is achieved based on the final results of the year.

(2) Based on target AIP award of 10% of base salary, and target sales bonus component of 40% of base salary.

(3) Does not include the Stretch Bonus and Super Bonus overachievement awards.

Long-Term Incentives

The Board will grant long-term incentives to the CEO, other NEOs, and executives consistent with the provisions of the Stock Option Plan and Share Unit Plan. Long-term incentives comprise RSUs, PSUs, and stock options. Together, these long-term incentive vehicles are designed to align executive long-term interests with those of shareholders.

The Human Resources and Compensation Committee will review long-term incentive targets periodically to ensure market competitiveness with peer companies. The elements of the long-term incentive plan will meet our objectives of attracting, retaining and motivating key executives, as follows:

- Time-vesting RSUs are used to attract and retain executives and key employees
- Performance-vesting PSUs are used to encourage executives to achieve specific corporate objectives
- Grants of Options are used in a targeted way to focus senior executives on activities aimed at maximizing long-term shareholder value

The charts below summarize the key design features of the long-term incentive plan, target incentive award for each NEO, as well as the long-term incentive mix:

	Share Unit Plan		**Option Plan**
	Restricted Share Units (RSUs)	**Performance Share Units (PSUs)**	**Stock Options**
Objective	Used to attract and retain executives and key employees	Used to encourage executives to achieve specific corporate objectives	Used in a targeted way to focus the CEO and other senior executives on activities aimed at maximizing long-term shareholder value
LTI Mix	CEO: 0% CFO: 0% Other NEOs: 0%	CEO: 0% CFO: 0% Other NEOs: 30%	CEO: 100% CFO: 100% Other NEOs: 70%
Performance Period	3 years	3 years	Up to option expiry (typically six years)
Vesting	Vesting will occur on the third anniversary of the date of grant.		Options vest over a 3 year period — 40% vesting after the first anniversary, 30% after the second anniversary, and 30% after the third anniversary from the date of grant
Performance Metric	RSU vesting is based solely on an executive's continued employment with us throughout the performance period (i.e. performance measures are not applicable)	At vesting a performance multiplier of 0x to 2.0x is applied to the original PSU award based on the achievement of 3 year Adjusted EBITDA growth objectives	N/A
Performance Threshold	N/A	No payout if the minimum Adjusted EBITDA threshold (set at the time of grant) is not achieved	N/A
Settlement	Awards may be settled in cash, shares, or a combination thereof based on the share price at the time of vesting	Awards may be settled in cash, shares, or a combination thereof based on the number of shares vesting and the share price at the time of vesting	Options are exercised for Common Shares

NEO	Target Award (percentage of salary)	Long Term Incentive Mix		
		RSUs	PSUs	Options
Peter Mabson	70%	0%	0%	100%
Sean Maybee	45%	0%	0%	100%
Graham Stickler	40%	0%	30%	70%
David Martin	40%	0%	30%	70%
Philip Miller	40%	0%	30%	70%

For fiscal 2015, our first year as a public company, the CEO, other NEOs, and members of the senior management team will receive 3 years' worth of stock option grants at Closing. These stock options have an 8 year term to expiry and will vest 40% after the third anniversary, 30% after the fourth anniversary, and 30% after the fifth anniversary from the date of grant. Executives receiving these stock option grants will not be eligible to receive another stock option grant until fiscal 2018.

Other Compensation Matters

*Conversion of our outstanding Unit Appreciation Rights ("**UARs**")*

Under our legacy compensation program, executives received annual UAR long-term incentive grants. There are currently two UAR grants outstanding that will be cancelled, and the UAR value will be converted to our new long-term incentive program as follows:

- The CEO and CFO will have their UAR value converted to 100% RSUs; 25% of which will vest in the first 12 months after Closing, with the remainder vesting over the next 24 months; and
- Other executives will have their UAR value converted to 50% RSUs and 50% stock options, 25% of which will vest in the first 12 months after Closing, with the remainder vesting over the next 24 months.

The conversion of UARs to RSUs will be completed on a dollar for dollar value basis, while the conversion of UARs to stock options will be calculated using the Black-Scholes method.

Summary Compensation of Named Executive Officers

The following table summarizes the compensation we expect to pay our Named Executive Officers for the financial year ending October 31, 2015:

Name and principal position	Salary ($)(1)	Share-based awards ($)(2)	Option-based awards ($)(3)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)(5)	Total Compensation ($)
				Annual incentive plans(4)	Long-term incentive plans			
Peter Mabson, *President and Chief Executive Officer*	295,000	0	206,500	118,000	—	—	—	619,500
Sean Maybee, *Chief Financial Officer*	242,000	0	108,900	72,600	—	—	—	423,500
Graham Stickler, *VP Products and Services*	217,000	26,040	60,760	65,100	—	—	—	368,900
David Martin, *VP Global Sales and Marketing*	217,000	26,040	60,760	108,500	—	—	—	412,300
Philip Miller, *VP Operations and Engineering*	217,000	26,040	60,760	65,100	—	—	—	368,900

(1) Amounts represent the annualized base salary expected to be paid for the year ending October 31, 2015.

(2) Represents target fair value of PSU awards under the Share Unit Plan. See "Executive Compensation — Compensation Discussion and Analysis — Long-Term Incentives", other than amounts referred to in footnote 6.

(3) Represents target fair value of stock option awards under the Stock Option Plan. For fiscal 2015, the NEO will receive 3 years' worth of stock option grants at Closing, of which only one year's worth of stock option grants are set forth in the table above. The NEO will not be eligible to receive another stock option grant until fiscal 2018. See "Executive Compensation — Compensation Discussion and Analysis — Long-Term Incentives".

(4) Represents target annual incentive plan compensation for the NEOs. Actual payments will depend upon the achievement of performance goals and will be paid in cash in the year following the fiscal year in respect of which they are earned.

(5) None of the NEOs are entitled to perquisites or other personal benefits which, in the aggregate are worth over $50,000 or over 10% of their base salary.

To promote alignment of executive interests with shareholder interests, one-time awards will be provided to certain executives. Mr. Mabson will be awarded upon Closing $450,000 worth of RSUs, which will vest 33.3% after 36 months, 33.3% after 48 months, and 33.3% after 60 months following the Offering. Mr. Maybee, Mr. Stickler, Mr. Martin and Mr. Miller will be awarded upon Closing $150,000 worth of RSUs, which will vest 50% after 24 months and 50% after 36 months following the Offering.

Outstanding Option-Based and Share-Based Awards

The following table sets out for each of our NEOs information concerning all option-based and share-based awards expected to be outstanding immediately following the Closing:

	Option-based Awards				Share-based Award		
Name	**Number of securities underlying unexercised options(#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)(1)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)(2)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Peter Mabson	●	●	●	●	●	●	●
Sean Maybee	●	●	●	●	●	●	●
Graham Stickler	●	●	●	●	●	●	●
David Martin	●	●	●	●	●	●	●
Philip Miller	●	●	●	●	●	●	●

(1) The value of unexercised in-the-money options is calculated based on the Offering Price.

(2) The market or payout value of share-based awards that have not vested is calculated based on the Offering Price.

Long-Term Incentive Plans

We believe that equity-based awards allow us to reward senior executive officers for their sustained contributions to us and align their interests with those of our long-term shareholders. We also believe that equity awards incentivize employee continuity and retention.

We will adopt the Stock Option Plan and the Share Unit Plan to provide long-term equity incentives. Our Board of Directors believes that options to purchase Common Shares, and grants under the Share Unit Plan, provide management with a strong link to our long-term performance and the creation of shareholder value. The Human Resources and Compensation Committee will determine the grant size and terms of awards for our NEOs to be recommended to our Board of Directors, taking into account, among other things, previous grants of options and other equity incentives. Together, the Share Unit Plan and the Stock Option Plan are designed to align the NEOs long-term interests with those of our shareholders.

No award may be made to our insiders under the Stock Option Plan or the Share Unit Plan if such award would result in the number of Common Shares issued from treasury to insiders (excluding Common Shares issued to insiders prior to the Closing of the Offering) pursuant to such plans, together with all of our other share compensation arrangements, within any one year period, exceeding 10% of the outstanding Common Shares. When used in this paragraph, the terms "insiders" and "security-based compensation arrangement" have the meanings ascribed thereto in the TSX rules for this purpose. Securities issued pursuant to security-based compensation arrangements prior to the Offering will not be counted toward these thresholds. Further details on the Stock Option Plan and the Share Unit Plan are provided below.

Stock Option Plan

Our Board of Directors is responsible for administering the Stock Option Plan and the Human Resources and Compensation Committee makes recommendations to our Board of Directors in respect of matters relating to the Stock Option Plan. Eligible participants in the Stock Option Plan ("**Participants**") include our NEOs, executive officers, other officers and employees, as well as consultants to us. Unless otherwise determined by our Board of Directors (for example, with respect to the options issued to senior executives at Closing), options granted in any year will vest over a three-year period — 40% vesting after the first anniversary, 30% after the second anniversary, and 30% after the third anniversary from the date of grant and have a term to expiry of 6 years. The maximum term of Options issued under the Stock Option Plan is 10 years.

Under the terms of the Stock Option Plan, no single participant can be granted Options which could result in the issuance of shares exceeding 5% of the issued and outstanding Common Shares within a one year period. The number of Common Shares issuable from treasury to NEOs and to all of our other insiders at any time under all of our share compensation arrangements is limited to 10% of the issued and outstanding Common Shares. In addition, the number of Common Shares issued to NEOs and to all of our other insiders, within any single one year period, under all of our share compensation arrangements is limited to 10% of the issued and outstanding Common Shares. Finally, the total number of Options that may be granted at any time to non-employee directors under the Stock Option Plan cannot exceed 0.5% of the issued and outstanding Common Shares, and the cumulative value of all Options granted to any individual non-employee director or to any non-employee associates of such non-employee director is limited to $100,000 within any one-year period.

The aggregate number of Common Shares reserved for issuance under the Stock Option Plan as of the Closing Date will be ● . As of the date of this prospectus, ● Common Shares (representing ● % of the issued and outstanding Common Shares on a diluted basis) were subject options granted under the Stock Option Plan and ● Common Shares (representing ● % of the issued and outstanding Common Shares on a diluted basis) Common Shares were unallocated and available for future grants of Options.

The Human Resources and Compensation Committee will be responsible for recommending grants of Options to the Board by making a written proposal to the Board setting out the names of the proposed recipients, the number of Options allocated, the proposed date of vesting, the proposed date of expiry and other relevant terms and conditions regarding the Options. The Human Resources and Compensation Committee will submit its written proposal at regularly scheduled in-person meetings of the Board (such Board meetings, the "**Option Meetings**" and each an "**Option Meeting**") for the consideration, review, approval or disapproval of the Board as applicable. At each Option Meeting, the Board will establish the exercise price of the Options at a price which is not less than the closing price for the Common Shares on the TSX on the last day the TSX was open for trading before either: (i) the day of the Board meeting if the Board was not in possession of any undisclosed material information during its meeting, or (ii) if the Board was in possession of any undisclosed material information during its meeting (for example if the Board was in possession of a report of our quarterly earnings and this report had not been released to the public), the first business day immediately following the first full day the TSX was open for trading after the time that we publicly releases such material information. The grant date for all Options granted under the Stock Option Plan is either the date of the Option Meeting in which the grant of the relevant Options were approved, or the first business day immediately following the first full day the TSX was open for trading after the time that we publicly disclosed the material undisclosed information which was in the Board's possession at the time of the relevant Option Meeting.

We will institute a policy whereby members of our management are not allowed to be present during those portions of the Options Meetings when the Board votes upon the grant of Options or during those portions of the Human Resources and Compensation Committee's meetings when it votes upon its recommendation to the Board with respect to Options. However, members of our management may be present during those portions of the Options Meetings when the Board discusses the Human Resources and Compensation Committee's recommendation to grant Options and during those portions of the Human Resources and Compensation Committee's meetings when it discusses its Options grant recommendation to the Board.

Options granted in any year will vest over a three-year period — 40% vesting after the first anniversary, 30% after the second anniversary, and 30% after the third anniversary from the date of grant and have a term to expiry of 6 years. The maximum term of Options issued under the Stock Option Plan is 10 years. Subject to the terms of an employment agreement, options granted will expire two months after a person ceases to be eligible for participation in the Stock Option Plan by reason of termination for cause or resignation. Options will terminate 12 months after a person ceases to be an eligible participant by reason of retirement, death, long-term disability or termination other than for cause. Vested options will expire 12 months after a person ceases to be eligible for participation in the Stock Option Plan by any reason other than those described in the two previous sentences. Options granted under the Stock Option Plan are not assignable.

The Stock Option Plan will state that the following amendments to the Stock Option Plan may be made without obtaining approval from our shareholders: (i) any amendments necessary to ensure that the Stock Option Plan is in compliance with the rules of the TSX and any of applicable Governmental Body (as such term is defined in the Stock Option Plan); (ii) amendments that are of an administrative or general housekeeping nature; (iii) amendments to the definition of "Eligible Persons" under the Stock Option Plan unless such changes would expand the class of Eligible Persons; (iv) amendments to the manner in which the Stock Option Plan is administered; (v) amendments to the maximum term of Options granted pursuant to the Stock Option Plan (other than to individuals who are deemed to be Insiders (as such term is defined in the Stock Option Plan) and provided the amendment does not extend the term beyond the original expiry); (vi) amendments to the vesting provisions or to the termination provisions described in the provisions of the Stock Option Plan; and (vii) amendments to the anti-dilution provisions set out in the provisions of the Stock Option Plan, provided that in no circumstance shall dilution under all of our incentive plans be more than 10% of our outstanding shares on a non-diluted basis.

The Stock Option Plan states that the following amendments to the Stock Option Plan may only be made if approval is obtained from our shareholders: (i) amendments to the maximum number of Common Shares that may be issued as a result of the grant of Options pursuant to the Stock Option Plan; (ii) amendments which have the effect of increasing the maximum number of securities or Options that may be granted to Insiders (as such term is defined in the Stock Option Plan), to any one Participant (as such term is defined in the Stock Option Plan), or to the Directors (as such term is defined in the Stock Option Plan); (iii) amendments to the manner in which the exercise price of Options is determined; (iv) amendments to the provisions with respect to the transferability of Options; (v) amendments which would expand the definition of Eligible Persons; and (vi) amendments to the amending provisions of the Stock Option Plan.

Share Unit Plan

In conjunction with the Closing of this Offering, our Board of Directors will adopt the Share Unit Plan as part of our long-term incentive compensation arrangements available for our NEOs, other executive officers, key employees and non-employee directors. The Share Unit Plan will be administered by the Human Resources and Compensation Committee, and the Human Resources and Compensation Committee will make recommendations to the Board of Directors in relation to the Share Unit Plan and to awards of Share Units under the Share Unit Plan.

The Share Unit Plan contemplates the granting of two types of awards: RSUs and PSUs. Vesting for RSUs will be based upon an employee's continuous service to the Company. Vesting for PSUs will be based upon the fulfillment of certain pre-defined performance criteria within a defined period. Vesting for all of the RSUs and PSUs awarded to employees will occur on the third anniversary of the date of grant. The manner of settlement for RSUs and PSUs will be elected by the Human Resources and Compensation Committee in its sole discretion.

The maximum aggregate number of Common Shares issuable from treasury by us pursuant to the Share Unit Plan is ● . This maximum number is subject to adjustment for changes in the number of Common Shares outstanding through subdivision, consolidation, reclassification, amalgamation, merger or otherwise. On the Closing, an aggregate of ● RSUs and ● PSUs will be awarded and outstanding under the Share Unit Plan.

Holders of RSUs will be entitled to accelerated vesting on a prorated portion of unvested RSUs under certain events, including termination of service by reason of death, disability, retirement. Any accelerated vesting of PSUs on termination of service will be determined by the Human Resources and Compensation Committee on the award of the PSUs and may vary depending on the specific nature of the performance-based vesting condition and the proration of the unvested PSU. All Share Units terminate if a Participant's employment or service terminates by reason of termination for Cause (as defined in the Share Unit Plan) or for breach of fiduciary duty.

Subject to obtaining any requisite approval from the TSX or other regulatory authority, our Board may take any one or more actions relating to Share Units including, without limitation, accelerating vesting, substituting similar securities of any acquirer for Share Units, providing for the continuation or assumption of Share Units by any acquirer, and/or other action as the Board deems fair and reasonable in the circumstances where a Corporate Event (as defined below) occurs. A "Corporate Event" is: (i) a merger, amalgamation, consolidation, reorganization or arrangement of the Company with or into another corporation (other than a merger, amalgamation, consolidation, reorganization or arrangement of the Company with its Subsidiary); (ii) the acquisition of all or substantially all of the outstanding Common Shares pursuant to a take-over bid; (iii) the sale of all or substantially all of our assets; or (iv) any other acquisition of our business as determined by the Board.

Employee Share Purchase Plan

We will establish an Employee Share Purchase Plan (the "**ESPP**") to encourage our employees to invest in the Common Shares through voluntary purchases. The ESPP will be a fixed plan, such that the maximum number of Common Shares that may be issued shall not exceed ● Common Shares.

Eligible participants for the ESPP will include all of our full and part-time employees. Employees will be able to elect to contribute between 1% and 10% of their base earnings before bonus, commissions, or special compensation to the ESPP. We will issue one additional Common Share to the employees for every four shares purchased in the market. On or prior to Closing, we will enter into an agreement with Computershare Trust Company of Canada, as administrator of the ESPP, to provide guidelines governing the purchase of Common Shares in the market.

Employment Agreements and Termination and Change of Control Benefits

We have entered into employment agreements with each of the NEOs. We believe that the terms of such employment agreements are in accordance with current market standards for agreements of a similar nature and provide for payment of severance to the NEO in the event of certain qualifying terminations of employment.

Peter Mabson, President and Chief Executive Officer

Our CEO will enter into an employment agreement (the "**Mabson Employment Agreement**") that contains several termination agreements which collectively will outline our obligations to Mr. Mabson in the event of a termination. The termination arrangements will provide for payment to Mr. Mabson of an amount equal to: (i) two times his annual base salary, plus (ii) two times his average annual bonus and benefits compensation (as determined by the average for the 3 years immediately preceding the date of termination). We will be obligated to make the payment described in the previous sentence regardless of whether Mr. Mabson secures other employment or commences self-employment. Mr. Mabson is under no obligation to attempt to secure new employment. In addition, for purposes of Mr. Mabson's participation in the Annual Incentive Plan, Stock Option Plan and Share Unit Plan and our benefit plans, any termination date will be extended by that same 24 months. In addition, the RSUs granted to Mr. Mabson at Closing will survive termination and will vest on the timeline established at the time of award. Any termination for "Cause" (as defined in the Mabson Employment Agreement) voids our payment obligations noted above. Mr. Mabson may terminate his employment by providing 3 months' notice to us, in which event there are also no payment obligations.

The Mabson Employment Agreement will also include language which describes our obligations to Mr. Mabson in the event of a change in control. The Mabson Employment Agreement defines a change in control as any occurrence of the following events (any such event a "**Employment Change in Control**"): (i) the acquisition, directly or indirectly and by any means whatsoever, by any person, or by a group of persons acting jointly or in concert, of outstanding shares of the Company sufficient to constitute the purchaser(s) as a shareholder(s) of the Company being entitled to exercise more than 50% of the voting rights attached to the outstanding Common Shares (provided that prior to the offer, the purchaser(s) did not own sufficient shares to control the Company, and did not in fact control the Company, as the term "control" is defined in the *Securities Act* (Ontario)), or (ii) a sale, transfer of interest, consolidation, merger, amalgamation or other business combination of the Company with or into any other corporation whereby the holders of Common Shares immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the voting shares of the consolidated, merged or amalgamated corporation, including a sale whereby all or substantially all of the Company's undertaking and assets become the property of any other corporation. The Mabson Employment Agreement states that in the event of a termination that results from an Employment Change in Control, we are obligated to provide for payment to Mr. Mabson of a lump sum amount equivalent to 2 times his base salary. In addition, Mr. Mabson is entitled to the greater of either: (a) an amount equal to 2 times the highest amount of the actual annual cash bonus awarded to Mr. Mabson by us in the 3 fiscal years immediately preceding the year in which the Employment Change in Control occurred and; (b) an amount equal to the bonus he would have been awarded under the Annual Incentive Plan or its equivalent in effect immediately prior to the Employment Change in Control for the fiscal year in which the Employment Change in Control occurred. Customary benefits to which Mr. Mabson was entitled prior to the Employment Change in Control are continued until the earlier of the following: (i) 24 months from the date of the Employment Change in Control, (ii) Mr. Mabson finds alternate employment, or (iii) Mr. Mabson retires.

The Mabson Employment Contract has non-competition clauses which would prevent Mr. Mabson from working for a competitor for up to two years following termination.

Sean Maybee, Chief Financial Officer

Our CFO will enter into an employment agreement (the "**Maybee Employment Agreement**") that contains several termination provisions which collectively outline our obligations to Mr. Maybee in the event of a termination. The termination arrangements provide for payment to Mr. Maybee in the event of his termination during the first 12 months of his employment agreement, of an amount equal to his base salary plus benefits for a period of 18 months, with one additional month added to a maximum of 24 months for each additional year of service. For purposes of Mr. Maybee's participation in the Annual Incentive Plan, Stock Option Plan and Share Unit Plan and our benefit plans, any termination date will be extended by 18 months. In addition, the RSUs granted to Mr. Maybee at Closing will survive termination and will vest on the timeline established at the time of award. Any termination for "Cause" (as defined in the Maybee Employment Agreement) voids our payment obligations noted above. Mr. Maybee may terminate his employment by providing 3 months' notice to us.

The Maybee Employment Agreement will also include language which describes our obligations to Mr. Maybee in the event of an Employment Change in Control. The Maybee Employment Agreement states that in the event of a termination that results from an Employment Change in Control, we are obligated to provide for payment to Mr. Maybee of a lump sum amount equivalent to 1.5 times his base salary. In addition, Mr. Maybee is entitled to the greater of either: (a) an amount equal to 1.5 times the highest amount of the actual annual cash bonus awarded to Mr. Maybee by us in the 3 fiscal years immediately preceding the year in which the Employment Change in Control occurred or; (b) an amount equal to the bonus he would have been awarded under the MIC Plan or its equivalent in effect immediately prior to the Employment Change in Control for the fiscal year in which the Employment Change in Control occurred. Customary benefits to which Mr. Maybee was entitled prior to the change of control are continued until the earlier of the following: (i) 18 months from the date of the Employment Change in Control, (ii) Mr. Maybee finds alternate employment, or (iii) Mr. Maybee retires.

The Maybee Employment Contract has non-competition clauses which would prevent Mr. Maybee from working for a competitor for up to two years following termination.

Director Compensation

Our directors' compensation program is designed to attract and retain qualified individuals to serve on our Board of Directors. The chart below outlines exactEarth's director compensation program for its non-executive directors. Directors who are also officers (i.e. Peter Mabson) receive no remuneration as directors.

Proposed Director Compensation Plan		
Board Retainer	Non-Executive Chairman	$60,000
	Board Member	$40,000
Committee Retainer Meeting Fees	Audit Committee Chair	$10,000
	Human Resources and Compensation Committee Chair	$7,500
	Governance Committee Chair	$7,500
Meeting Fees	Board/Committee Meeting	No meeting fees

Directors will be required to receive 50% of their annual retainer in DSUs as described under the section "DSU Plan" below. Directors can elect to increase the percentage of their compensation received in DSUs above this threshold. This process helps to align the directors' interests with our long term interests by including equity based compensation, and introducing a "pay for performance" element to the compensation package.

All directors are entitled to reimbursement for expenses incurred by them in their capacity as directors. No director is permitted to purchase financial instruments (such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities either granted as compensation (as a result of any awards under the DSU Plan) or held directly or indirectly by the director.

DSU Plan

In connection with the Offering, we will adopt a deferred share unit plan (the "**DSU Plan**"). The principal purpose of the DSU Plan is to promote a greater alignment of the interests of non-employee directors with the interests of our shareholders by linking their annual director compensation to the future value of the Common Shares.

Pursuant to the DSU Plan, independent directors are entitled to elect to participate in the DSU Plan. Directors must elect to receive at least 50% of their annual retainer in DSUs. A deferred share unit ("**DSU**") is a unit, equivalent in value to a Common Share, credited by means of a quarterly bookkeeping entry in our books, to an account in the name of the director. The number of DSUs granted to a director is determined by dividing (i) the amount the director has elected to receive as DSUs each quarter by (ii) the volume weighted average of the prices at which Common Shares traded on the TSX on the five trading days immediately preceding the date of grant.

Upon retirement from the Board, a participant has the right to elect to receive cash or payment in the form of Common Shares in respect of the total number of DSUs accumulated in such participant's account to the end of the director's tenure as a member of the Board. Such payment can be made as soon as the director retires from the board or at such later date as the participant may elect prior to the end of such tenure, provided such later date is not later than December 1 of the calendar year following the calendar year in which the tenure ended. Directors who are U.S. taxpayers are subject to shortened election provisions.

In the event the participant elects to receive a cash payment for the DSUs, the participant will receive a cash payment equal to the number of DSUs recorded in the participant's account on the distribution date multiplied by the volume weighted average trading price of the Common Shares on the TSX on the five trading days immediately preceding the distribution date.

In the event the participant elects to receive Common Shares on the distribution date, we will purchase in the market the number of Common Shares equal to the number of DSUs in the participant's account.

In the event a participant dies prior to the distribution of the DSUs credited to the account of such participant, a cash payment shall be made to the estate on or about 30 days after we are notified of the death or on a later date elected by the estate provided that such elected date is no later than the last business day of the calendar year following the calendar year in which the participant dies.

The following table sets out for each director who is not also an executive officer, information concerning all option-based and share-based awards expected to be outstanding immediately following the Closing:

	Option-based Awards				Share-based Award		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Kym Anthony	—	—	—	—	●	●	●
James Adamson	—	—	—	—	●	●	●
Miguel Angel Panduro Panadero	—	—	—	—	●	●	●
Miguel Angel Garcia Primo	—	—	—	—	●	●	●
The Honorable Dennis Kloske	—	—	—	—	●	●	●
Maria Izurieta	—	—	—	—	●	●	●

Indemnification and Insurance

Directors and officers participate in our director and officer insurance program. The policy limit for such insurance coverage is $40 million in the aggregate in each policy year with no deductible for individual directors or officers and a deductible of $100,000 for the Company per occurrence (except with respect to securities claims in which the deductible for the Company is equal to $100,000). The annual premium is approximately $140,650.

In addition, we have entered into indemnification agreements with our directors and officers. The indemnification agreements generally require that we indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to us as directors and officers, if the indemnitees acted honestly and in good faith and in a manner the indemnitee reasonably believed to be in our best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, if the indemnitee had reasonable grounds to believe that his or her conduct was lawful. The indemnification agreements will also provide for the advancement of defence expenses to the indemnitees by us.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

None of our directors, executive officers, employees, former directors, former executive officers or former employees, and none of their associates, is indebted to us or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or similar agreement or understanding provided by us, except for routine indebtedness as defined under applicable securities legislation.

CORPORATE GOVERNANCE

The securities regulatory authorities in Canada adopted National Instrument 58-101 — *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Policy 58-201 — *Corporate Governance Guidelines* ("**NP 58-201**"). NP 58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. These guidelines have replaced the guidelines previously established by the TSX.

The Corporate Governance and Nominating Committee has reviewed the guidelines provided for in NP 58-201 and has prepared the disclosure required by NI 58-101.

For the purposes of this disclosure, the applicable definition of "independent" is provided for in NI 52-110. For the purposes of NI 52-110, a director is considered "independent" if he or she has no direct or indirect material relationship with the issuer. A material relationship is one which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. The following people would be deemed to have a material relationship with us:

(a) A director who is, or has been within the past three years, an executive officer, or employee of the Company or our Subsidiary or any of their respective affiliates;

(b) A director whose immediate family member is, or has been within the past three years, an executive officer of the Company or our Subsidiary or any of their respective affiliates;

(c) A director who, or whose immediate family member is, or has been within the last three years, associated with our audit firm;

(d) A director who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of our current executive officers (or any current executive officers of our Subsidiary) serves or served at that same time on the entity's compensation committee; and

(e) A director who received, or whose immediate family member who is employed as an executive officer of the Company or our Subsidiary received, more than $75,000 in direct compensation from us during any 12 month period within the last three years.

Four (4) of the seven (7) members who are expected to form our Board of Directors at Closing are independent, being Kym Anthony, James Adamson, Maria Izurieta and The Honorable Dennis Kloske, as that term is defined in NI 52-110. Peter Mabson is not independent for the purposes of NI 52-110 because he is our Chief Executive Officer. Our Board has determined that Miguel Angel Panduro Panadero and Miguel Angel Garcia Primo are not independent for the purposes of NI 52-110 because of their relationships with Hisdesat, one of our principal shareholders. See "Principal and Selling Shareholders". Should such shareholders divest of a sufficient portion of the Common Shares, and if the CDH Agreement is terminated or there are other changes in circumstances, the Board may determine that Miguel Angel Panduro Panadero and Miguel Angel Garcia Primo are independent. All committees are comprised of independent directors. In addition, where potential conflicts arise during a director's tenure on the Board, such conflicts are expected to be immediately disclosed to the Board.

Our Board intends to evaluate the appointment of an additional independent director prior to the first regularly scheduled annual general meeting after the Closing.

We implemented charters for the Board and for each of its standing committees. In addition, we have implemented position descriptions for the Chair and the CEO. Position description of each of the chairs of the Corporate Governance and Nominating Committee and Human Resources and Compensation Committee are included in their respective charters. These policies and position descriptions, as well as the Charter of Director Duties and Expectations (the "Duties and Expectations Charter") and the Orientation and Continuing Education Program for the Board (the "**OCEPB**"), are all available on our website at www.exactearth.com.

Set out below is a description of certain of our corporate governance practices, as required by NI 58-101.

Board of Directors

Overview

Our articles will provide for a minimum of three and a maximum of fifteen directors. The articles will also provide that the Board of Directors has the power to set the number of directors within the minimum and maximum number. In addition, in accordance with the CBCA, the Board of Directors may appoint one or more additional directors who shall hold office until the close of the next annual meeting of shareholders, provided that the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

At Closing, our Board of Directors will comprise seven (7) directors: Peter Mabson, Kym Anthony, James Adamson, Miguel Angel Panduro Panadero, Miguel Angel Garcia Primo, Maria Izurieta and The Honorable Dennis Kloske. Certain members of our Board of Directors are also members of the board of directors of other public companies, as noted below:

Name of Director	Name of Reporting Issuer and Exchange
Kym Anthony	COM DEV (TSX); Avivagen Inc. (TSXV)
James Adamson	COM DEV (TSX)

The Board will meet on a quarterly basis at a minimum. The provisions of the Board Charter will require all Board meetings to include regular meetings of our independent directors without management present to allow for open discussions between such independent directors.

Our directors are expected to fulfil their duties in a manner consistent with our high standards for integrity and good governance. In order to memorialize our expectations for each of its directors, we will establish the Duties and Expectations Charter. A copy of the Duties and Expectations Charter is available on our website.

Director Tenure

It is proposed that each of the proposed directors of the Company will serve until the close of our next annual general meeting or until his or her successor is elected or appointed. The Board has not adopted a term limit for directors. The Board believes that the imposition of director term limits on a board may discount the value of experience and continuity amongst board members and runs the risk of excluding experienced and potentially valuable board members. The Board relies on an annual director assessment procedure in evaluating Board members and believes that it can best strike the right balance between continuity and fresh perspectives without mandated term limits.

Diversity

We encourage diversity in the composition of the Board and require periodic review of the composition of the Board as a whole to recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of diversity, knowledge, experience, skills and expertise required for the Board as a whole. Accordingly, while the Board has not adopted a written policy or targets relating to the identification and nomination of women directors, the Board does take into consideration a nominee's potential to contribute to diversity within the Board. Given that diversity is part of determining the overall balance, which includes gender, the Board has not adopted a gender specific policy target.

The Board, following Closing, is expected to be comprised of one female director (14%) and six male directors (86%). Consistent with our approach to diversity at the Board level, our hiring practices include consideration of diversity across a number of areas, including gender. While our senior management includes a woman, none of our current executive officer positions are held by women. We do not have a target number of women executive officers. Given the small size of our executive team, we believe that implementing targets is not appropriate at this time. However, in our hiring practices, we consider the level of representation of women in executive officer positions.

Board Mandate

The mandate of the Board is to provide oversight for the Company and to act in our best interests. The Board acts in accordance with the CBCA and our articles of incorporation and bylaws, as well as with other applicable laws and Company policies. The Board discharges its responsibilities both directly and through the work performed by the Committees. The Board has established a comprehensive set of approval authorities for the transaction of our business. The Board reviews and approves any transactions and decisions that fall within its approval mandate in advance, and reviews the results of these decisions on a regular basis. A copy of the mandate of our Board of Directors is attached as Appendix A to this prospectus.

Position Descriptions

Chairman of the Board and Committee Chairs

Mr. Kym Anthony will be the Chairman of the Board of Directors. The Board of Directors intends to adopt a written position description for the Chairman of the Board of Directors which will set out the Chairman's key responsibilities, including duties related to Board of Directors' meetings, shareholders' meetings, director development and communication with shareholders and regulators. The Board of Directors also intends to adopt a written position description for each committee chairman which will set out each committee chairman's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee. These descriptions will be considered by the Board of Directors for approval annually.

The CEO

Mr. Peter Mabson is our CEO. The primary functions of the CEO are to lead the management of our business and affairs and to lead the implementation of the resolutions and the policies of the Board of Directors. The Board of Directors intends to develop a written position description for the CEO which will set out the CEO's key responsibilities, including duties relating to strategic planning, operational direction, and interaction with the Board of Directors and communication with shareholders. The CEO position description will be considered by the Board of Directors for approval annually.

Orientation and Continuing Education

The composition of our Board at Closing will consist of directors who are familiar with the industry, or who bring particular expertise to the Board from their professional experience. New directors will receive an orientation to the Company in accordance with the OCEPB; all new directors are expected to complete the orientation process within two quarters after the director has been appointed to the Board. All directors receive a record of public information about us, as well as other relevant corporate and business information. Senior management will make regular presentations to the Board on the main areas of the business and the directors will have the opportunity to ask questions and tour our facilities. Additionally, the Corporate Governance and Nominating Committee, in conjunction with our executive officers, will maintain a website for the directors which contains all of the information, policies, codes, and all other relevant information about us in the form of a virtual handbook for the directors. All directors are either members of the Institute of Corporate Directors (the "**ICD**") or have been through training with the National Corporate Directors Association. All directors are required by the OCEPB to continue to improve their knowledgebase and their proficiency through the use of the resources available at the ICD.

Ethical Business Conduct

In connection with the Offering, the Board will adopt a code of business conduct and ethics (such document, the "**Code**") for our directors, officers and employees, in respect of which it will monitor compliance. Each director will be required to certify his or her compliance with the Code annually. Directors and executive officers are required by applicable law and our corporate governance practices and policies to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, applicable law and principles of sound corporate governance require them to declare the interest in writing and where required by applicable law, to abstain from voting with respect to such agreement or transaction.

A copy of the Code may be obtained by contacting us and will be available for review under our profile on SEDAR at www.sedar.com upon the completion of the Offering.

Committees

Upon Closing, our Board of Directors will establish an Audit Committee, a Human Resources and Compensation Committee, and a Corporate Governance and Nominating Committee. Upon Closing, the Board will approve charters for each of these committees, which are described below. Our Board of Directors will delegate to the applicable committee those duties and responsibilities set out in each committee's charter.

Audit Committee

The Audit Committee will be responsible for overseeing the integrity of our financial statements, reviewing financial reports and other financial information, recommending the appointment and reviewing and appraising the audit efforts of our external auditors, overseeing and monitoring our financial reporting processes and internal controls and procedures, our processes to manage business and financial risk and its compliance with legal, ethical and regulatory requirements and encouraging improvement of and adherence to our policies, procedures and practices. The responsibilities, powers and operation of the Audit Committee will be set out in the charter of the Audit Committee, a copy of which will be available on our website.

The Audit Committee will consist of Maria Izurieta (Chair), Kym Anthony, and James Adamson. Each of the members of the Audit Committee will be considered "independent" and "financially literate" within the meaning of NI 52-110. For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All members of the Audit Committee will have experience reviewing financial statements and dealing with related accounting and auditing issues. Set out below is a description of the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member.

Audit Committee Member	Relevant Education and Experience
Maria Izurieta	Previous CEO and CFO of Wireless Matrix and VIPdesk. Currently the CFO of 3Pillar Global. Holds a Bachelor of Science degree in Accounting from Virginia Polytechnic Institute and State University.
Kym Anthony	Previous President and Chief Executive Officer of National Bank Financial and Chairman of the Investment Dealers Association. Holds a BA from Simon Fraser University and his MBA from the University of Western Ontario.
James Adamson	Previous President and CEO of Lockheed Engineering and Sciences Company, Co-founder and Chief Operating Officer of United Space Alliance, and President and Chief Executive Officer for Honeywell Technology Solutions Inc. Holds a Bachelor of Science in Engineering from the U.S. Military Academy at West Point.

Our Board of Directors has adopted a written charter for the Audit Committee. The mandate of the Audit Committee will be to assist our Board in fulfilling its financial oversight obligations, including the responsibility: (1) to oversee the integrity of our financial statements and financial reporting process, including the audit process and our internal accounting controls and procedures and compliance with related legal and regulatory requirements; (2) to oversee the qualifications and independence of our external auditor; (3) to oversee the work of our financial management and external auditor; and (4) to provide an open avenue of communication between the external auditors, our Board and our management.

A copy of the charter of the Audit Committee is attached as Appendix B to this prospectus.

Pre-Approval Policies and Procedures

The Board has adopted an Audit Committee Charter, the current form of which is attached to this prospectus as Appendix B, which includes responsibilities regarding the provision of non-audit services by our external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and audit-related services.

Auditor Fees

Fees billed by Ernst & Young LLP to us in the years ended October 31, 2014 and October 31, 2013 were approximately $112,975 and $17,000, respectively, as detailed below.

	Year ended October 31, 2014	Year ended October 31, 2013
Audit fees	$112,975	$17,000
Audit-related fees	Nil	Nil
Tax fees	Nil	Nil
All other fees	Nil	Nil
Total	$112,975	$17,000

Audit fees — Fees billed by Ernst & Young LLP were for professional services rendered for the audit of our financial statements.

There were no other fees for 2014 or 2013.

Human Resources and Compensation Committee

Our Human Resources and Compensation Committee will consist of three directors, all of whom will be considered to be "independent" as that term is defined in NI 52-110. The independent members of the Human Resources and Compensation Committee will be James Adamson (Chair), Kym Anthony and The Honorable Dennis Kloske. As set out under "Directors and Executive Officers — Biographies" above, each of the members of the Human Resources and Compensation Committee, through their previous work experience and board memberships, will have the skills and experience that enable the Human Resources and Compensation Committee to make decisions on the suitability of our compensation policies and practices.

Corporate Governance and Nominating Committee

Upon Closing, our Board will appoint a Corporate Governance and Nominating Committee comprising three directors, each of whom will be considered to be "independent" as that term is defined in NI 52-110. The members of the Corporate Governance and Nominating Committee are anticipated to be The Honorable Dennis Kloske (Chair), Kym Anthony and James Adamson.

The Corporate Governance and Nominating Committee will govern the nomination of directors. In addition, the Corporate Governance and Nominating Committee will be primarily responsible for optimizing the performance of the Board and of the directors who comprise the Board. The Corporate Governance and Nominating Committee will fulfill this responsibility by performing the following primary functions: (i) assessing the effectiveness of the Board as a whole as well as the contribution of the individual directors; (ii) assessing our governance infrastructure as well as specific governance programs implemented by us; (iii) finding and proposing new nominees to serve as our directors; and (iv) providing orientation training for new directors as well as continuing education programs for existing directors.

To assist the Corporate Governance and Nominating Committee's task to seek and evaluate suitable candidates to serve on the Board, the Corporate Governance and Nominating Committee will rely upon a formal nominating process (the "**Director Nominating Process**") to be approved by the Board. The Director Nominating Process will include the employment of a skills and experience matrix to help the Corporate Governance and Nominating Committee assess the qualifications of the director nominees. The Director Nominating Process will evaluate prospective directors using a series of broad categories such as: (i) enterprise leadership, (ii) industry knowledge, (iii) financial and/or legal capabilities, (iv) prior experience serving on the board of directors of other business entities, and (v) diversity.

To assist the Corporate Governance and Nominating Committee's task in assessing the contribution of individual directors and in the creation of a more transparent, effective corporate governance culture, the Board will enact the compensation structure for its directors described in the section titled "Executive Compensation — Director Compensation" above. All directors will be required to comply with the Duties and Expectations Charter and with the OCEPB. Any director who is unable to comply either with the Duties and Expectations Charter or with the OCEPB will be expected to resign from the Board.

The complete and full responsibilities, powers and operation of the Corporate Governance and Nominating Committee will be set out in this Committee's charter, a copy of which will be available on our website.

At Closing, the Company will enter into the Nominating Agreements the respective Selling Shareholders. The Nominating Agreements provide that so long as a Selling Shareholders has a 20% ownership interest in the Company, the Company will include two of that Selling Shareholder's nominees for director at the Company's annual meeting, and for so long as a Selling Shareholder has a 10% ownership interest in the Company, the Company will include one nominee of that Selling Shareholder for election for director at the Company's annual meeting. The Selling Shareholders have also entered into the CDH Agreement whereby each of the Selling Shareholders have undertaken to vote Common Shares controlled by them, respectively, in favour of each other's nominees to the Board. For further information see "**Relationships with the Selling Shareholders**".

The shareholders are entitled to elect directors of the Company and the provisions of the Nominating and CDH Agreements do not restrict the voting rights of shareholders. While our Board will be responsible for recommending the directors to be elected by shareholders at the annual meeting of shareholders, we will adopt a majority voting policy to deal with situations where a candidate recommended by our Board for election has more votes withheld than are voted in favour of such nominee. We believe that each director should have the confidence and support of the shareholders. Where a director nominee has more votes withheld than are voted in favour of such nominee, the nominee, even though duly elected as a matter of corporate law, will be required to tender his or her resignation which will be accepted by our Board, absent exceptional circumstances, within 90 days after the date of the shareholder meeting. Following the Closing, a copy of the Majority Voting Policy can be found on the Corporate Governance section of our website at www.exactearth.com.

Insider Trading

We will adopt an Insider Trading Policy to govern the conduct of our directors, officers, employees and other insiders with respect to the trading of our securities, particularly in the context of material information concerning us and our affairs. Among other matters, the Insider Trading Policy will set out prohibited trading activities, establish guidelines for identifying our insiders and describe reporting requirements applicable to insiders.

Under our Insider Trading Policy, our directors, officers and employees will not be permitted to purchase financial instruments to hedge or offset a decrease in the market value of our securities granted as compensation.

The Insider Trading Policy will permit, in the sole discretion of the Board, officers and directors to trade during blackout periods or during a time when such officer or director is in possession of material undisclosed information, provided that such officers or directors have entered into an automatic share disposition plan or automatic share purchase plan governing such trades on terms and conditions satisfactory to the Board and that are in accordance with the guidelines in OSC Staff Notice 55-701.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated ● , 2015 (the "**Underwriting Agreement**") between us, the Selling Shareholders and the Underwriters, we have agreed to sell and the Underwriters have severally agreed to purchase ● Offered Shares, as principals, on the Closing Date, subject to the terms and conditions of the Underwriting Agreement, at the Offering Price payable in cash against delivery. The Offered Shares are being offered (i) to the public in all of the provinces and territories of Canada, (ii) in the United States to "qualified institutional buyers" (as defined in Rule 144A under the 1933 Act) in a private placement exempt from the registration requirements of the 1933 Act, (iii) in the United Kingdom to "persons who are qualified investors" within the meaning of Section 86(7) of the FSMA acting as principals and not for the benefit of others (save where Section 86(2) of the FSMA applies) and (a) fall within the categories of persons referred to in Article 19 (Investment Professionals) of the FPO or Article 49 (High net worth companies, unincorporated associations etc.) of the FPO; or (b) to whom they may otherwise lawfully be communicated without breach of Section 21 of the FSMA. Prior to the Offering, there was no public market for the Common Shares. The Offering Price was determined by negotiation between us and the Underwriters.

In consideration for their services in connection with the Offering, we have agreed to pay a commission to the Underwriters equal to ● % of the gross proceeds of the Treasury Offering and the Selling Shareholders have agreed to pay a commission to the Underwriters equal to ● % of the gross proceeds of the Over-Allotment Option, if exercised (the "**Underwriters' Fee**"). The Underwriters may offer selling group participation to other registered dealers that are satisfactory to us, acting reasonably, with compensation to be negotiated between the Underwriters and such selling group participants, but at no additional cost to us.

The obligations of the Underwriters under the Underwriting Agreement are several and neither joint nor joint and several and may be terminated at any time before the Closing Date at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. Pursuant to the Underwriting Agreement, we and the Selling Shareholders have each agreed to indemnify the Underwriters and their affiliates and their respective directors, officers, and employees against certain liabilities and expenses or will contribute to payments that the Underwriters may be required to make in respect thereof.

Subscriptions for Offered Shares offered hereunder will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Closing will take place on ● , 2015 or such other date as we and the Underwriters shall agree, but in any event not later than 42 days after the date of the receipt for the final prospectus. It is expected that one or more global certificates representing the Offered Shares distributed under this prospectus will be issued in registered or electronic form to CDS and will be deposited with CDS on the Closing Date. No certificate evidencing the Offered Shares will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of the Offered Shares will receive only a customer confirmation from the registered dealer from or through whom the Offered Shares are purchased.

The Selling Shareholders have granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part, at the sole discretion of the Underwriters, for a period ending 30 days after the Closing Date, to purchase up to ● Over-Allotment Shares (representing 15% of the Treasury Shares), for the purpose of covering all of the Underwriters' over-allocation position, if any, and for market stabilization purposes. The Selling Shareholders have agreed to pay the Underwriters' Fee in respect of any Over-Allotment Shares sold in connection with the Over-Allotment Option.

If the Over-Allotment Option is exercised in full, the total Price to the Public, the Underwriters' Fee, Net Proceeds to the Company and the Net Proceeds to the Selling Shareholders will be $ ● , $ ● , $ ● and $ ● , respectively. This prospectus qualifies the grant of the Over-Allotment Option and the Over-Allotment

Shares issuable upon the exercise of the Over-Allotment Option. We will not receive any of the proceeds from the sale of any Over-Allotment Shares by the Selling Shareholders pursuant to the Over-Allotment Option, if exercised. A purchaser who acquires Over-Allotment Shares forming part of the Over-Allotment Option acquires such Over-Allotment Shares under this prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made reasonable efforts to sell all of the Offered Shares at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than such Offering Price, and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross price amount paid by the Underwriters to us or to the Selling Shareholders. Any such reduction in price will not affect the proceeds received by us or the Selling Shareholders.

We have applied to list the Common Shares on the TSX. Listing will be subject to us fulfilling all of the initial listing requirements of the TSX, including distribution of the Common Shares to a minimum number of public holders. The TSX has not conditionally approved the listing of the Common Shares and there is no assurance that the TSX will approve our listing application

The Underwriters and/or their affiliates from time to time have provided in the past, and may provide in the future, investment banking, financial advisory, broker-dealer and commercial banking services to the Company and/or the Selling Shareholders and their subsidiaries and affiliates in the ordinary course of business for which they have received, or may receive, customary fees and commissions. In addition, CIBC is an affiliate of a Canadian chartered bank which is a 25% member in a syndicate of lenders under certain term loan and acquisition facilities provided to COM DEV, with an aggregate of $52 million of indebtedness outstanding. In addition, COM DEV is a borrower under an operating line of credit with an affiliate of CIBC, with approximately $1 million presently outstanding. COM DEV is a “related issuer” of the Company, as such term is defined in NI 33-105. Accordingly, each of COM DEV and the Company may be considered a “connected issuer”, as such term is defined in NI 33-105 of CIBC for purposes of applicable securities legislation in each of the provinces and territories of Canada. At present, no decision has been made by COM DEV to use its share of the proceeds from the Offering to repay the indebtedness to any affiliate of CIBC. Nonetheless, a portion of the proceeds of the Offering may or may not be allocated or applied, directly or indirectly, for the benefit of CIBC, in addition to the respective portion of the Underwriters’ Fee to be allocated to CIBC pursuant to the terms of the Underwriting Agreement. COM DEV is currently in compliance with the terms of its existing credit facilities and no breach thereof has been waived by the lender thereunder. The decision to distribute the Common Shares, including the determination of the terms of this Offering, has been made through negotiations between the Company, the Selling Shareholders and the Underwriters. The lenders under COM DEV’s existing credit facilities were not involved in their capacities as such in the decision to issue the Common Shares or in determining the terms of this Offering. The financial position of COM DEV has not materially changed since indebtedness was incurred under the existing credit facilities.

None of the Offered Shares have been or will be registered under the 1933 Act, or any securities or “blue sky” laws of any of the states of the United States. Accordingly, the Offered Shares may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the 1933 Act and applicable state securities laws. The Underwriting Agreement permits the Underwriters, acting through their U.S. broker dealer affiliates, to offer and resell the Offered Shares that they have acquired pursuant to the Underwriting Agreement in the United States to persons who are “qualified institutional buyers”, as such term is defined in Rule 144A under the 1933 Act, where such offers and sales are made in compliance with Rule 144A under the 1933 Act and applicable state securities laws.

This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares offered hereby in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirements of the 1933 Act if such offer or sale is made absent registration or otherwise than in accordance with an available exemption from registration under the 1933 Act.

The Offered Shares sold to, or for the account or benefit of, persons in the United States will be "restricted securities" within the meaning of Rule 144(a)(3) of the 1933 Act.

This prospectus and the Offering are only addressed to, and directed at, persons in the United Kingdom who are "qualified investors" within the meaning of Section 86(7) of the FSMA acting as principals and not for the benefit of others (save where Section 86(2) of the FSMA applies) and (i) fall within the categories of persons referred to in Article 19 (Investment Professionals) of the FPO or Article 49 (High net worth companies, unincorporated associations etc.) of the FPO; or (ii) to whom they may otherwise lawfully be communicated without breach of Section 21 of the FSMA (all such persons together being referred to as "Relevant Persons"). Any investment or investment activity to which this prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this prospectus or any of its contents. This prospectus contains no offer to the public within the meaning of Section 102B of the FSMA or otherwise. This prospectus is not a prospectus for the purposes of Section 85(1) of the FSMA. Accordingly, this prospectus has not been nor will it be approved as a prospectus by the FCA under Section 87A of the FSMA and it has not been filed with the FCA pursuant to the United Kingdom Prospectus Rules nor has it been approved by a person authorized under the FSMA.

Market Stabilization

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize, maintain or otherwise affect the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making short sales of the Common Shares, which involve the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market or as otherwise permitted by applicable law. In making this determination, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market compared with the price at which they may purchase Common Shares through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Common Shares in the open market or as otherwise permitted by applicable law. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of our Common Shares in the open market that could adversely affect investors who purchase in the Offering.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

Lock-up Arrangements

We have agreed that we will not, directly or indirectly, without the prior written consent of Canaccord on behalf of the Underwriters, offer to sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any Common Shares or any securities convertible or exercisable into or exchangeable for Common Shares for a period commencing on the Closing Date of the Offering and ending 180 days after the Closing Date except for: (A) the issuance of equity securities in connection with any of our compensation plans; (B) the issuance of options pursuant to the Stock Option Plan; (C) the issuance of equity securities in connection with the exercise of any options; and (D) the issuance of equity securities in connection with acquisitions in the ordinary course of business.

In connection with the completion of the Offering, we expect the following parties (collectively, the "**Locked-Up Parties**") to agree, subject to certain customary exceptions, not to sell Common Shares or securities convertible or exchangeable into Common Shares (or announce any intention to do so) for a period commencing on the Closing Date and ending on the date indicated in the table below (the "**Lock-Up Period**") pursuant to the terms of certain lock-up agreements (the "**Lock-Up Agreements**") to be entered into by the Locked-Up Parties at Closing:

(i)	the Selling Shareholders and their affiliates	— 12 months after the Closing Date(1)
(ii)	our directors and management team and those of our Subsidiary (being each member of management at the vice-president level or higher, including our Chief Executive Officer and Chief Financial Officer) and their affiliates	— 180 days after the Closing Date

(1) Subject to an exception where any of the Selling Shareholders distribute Common Shares to any of their respective shareholders, in connection with a *bona fide* third party takeover bid, merger, plan of arrangement, or other similar business combination transaction involving a change of control of a Selling Shareholder, provided that such Common Shares to be held by shareholders of the Selling Shareholder shall remain subject to the restrictions of the Lock-Up Agreement notwithstanding the completion of such change of control transaction until March 31, 2016 in respect of 50% of any Common Shares held by such Selling Shareholder, and until September 30, 2016 in respect of the remaining 50%.

For the purpose of determining the number of Common Shares set forth in clauses (i) and (ii) above, all options to acquire Common Shares were counted on an as-converted basis. In aggregate, the expected Locked-Up Parties hold approximately ● % of the Common Shares outstanding on an as-converted basis prior to the completion of the Offering (● % after completion of the Offering (assuming no exercise of the Over-Allotment Option) or ● % if the Over-Allotment Option is exercised in full).

RISK FACTORS

An investment in the Offered Shares carries a number of risks, many of which are inherent in the business we conduct, including the risk that the entire investment may be lost. In addition to all other information set out in this prospectus, the following specific factors could materially adversely affect us and should be considered when deciding whether to make an investment in the Offered Shares. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may become important factors that affect our future financial condition and results of operations. The occurrence of any of the risks discussed below could materially adversely affect our business, prospects, financial condition, results of operations or cash flow. Prospective purchasers should carefully consider the following risks before investing in the Offered Shares.

Risks Relating to Our Business and Industry

Our satellites use highly complex technology and operate in the harsh environment of space and therefore are subject to significant operational risks while in orbit.

Our satellites use highly complex technology and operate in the harsh environment of space and therefore are subject to significant operational risks while in orbit. The risks include equipment failures, malfunctions and other kinds of problems commonly referred to as anomalies. Satellite anomalies include, for example, circuit failures, transponder failures, solar array failures, battery cell and other power system failures, satellite control system failures and propulsion system failures. Acts of war, terrorism, magnetic, electrostatic or solar storms, space debris, satellite conjunctions or micrometeoroids could also damage our satellites.

In addition, the AIS signals we receive in space were not intended to be received in space. The development of highly sensitive space receivers has enabled our business. These receivers detect signals, AIS or otherwise, that are emitted from the earth's surface. Signals that are not AIS cause interference to the space detection of AIS. New transmitters could be deployed on the earth that emit in the same frequencies as AIS and cause our service to be severely compromised or disabled.

Any single anomaly or series of anomalies or other failure (whether full or partial) of any of our satellites could cause our revenues and cash flows to decline materially, could damage our reputation and goodwill, and could have a material adverse effect on our relationships with current customers and our ability to attract new customers. In addition, an anomaly that has a material adverse effect on a satellite's overall performance or anticipated future commercial service life could require us to recognize an impairment loss. It may also require that we expedite or delay its planned replacement program, adversely affecting our profitability, increasing our financing needs and limiting the availability of funds for other business purposes. Finally, the occurrence of anomalies may adversely affect our ability to insure our satellites at commercially reasonable premiums, if at all, and may cause insurers to demand additional exclusions in policies they issue.

It is possible that the actual commercial service lives of our satellites will be shorter than anticipated.

We anticipate that the satellites comprising our First Generation Constellation will have the expected end-of-commercial-service life dates ranging from 10 to 12 years in service, depending on the type of satellite. It is possible that the actual commercial service lives of our satellites will be shorter than anticipated. A number of factors will affect the actual commercial service lives of our satellites, including: (i) the amount of propellant used in maintaining the satellite's orbital location or relocating the satellite to a new orbital location (and, for newly-launched satellites, the amount of propellant used during orbit raising following launch), (ii) the durability and quality of their construction, (iii) the performance of their components, (iv) conditions in space such as solar flares and space debris, (v) operational considerations, including operational failures and other anomalies, (vi) changes in technology which may make all or a portion of our satellite fleet obsolete.

We periodically review the anticipated commercial service lives of each of our satellites using current engineering data. A reduction in the commercial service life of any of our satellites could result in the recognition of an impairment loss, an acceleration of capital expenditures and a loss of revenue from impediments to delivering timely data.

Satellites are subject to launch failures, which could result in a delayed launch or damage to a satellite.

We currently have 7 operational satellites in orbit and currently expect to launch three additional satellites over the next 18 months. Satellites are subject to certain risks related to failed launches. Launch vehicles may fail. Launch failures result in significant delays in the deployment of satellites because of the need to construct replacement satellites (which can take up to 24 months or longer) or to obtain another launch vehicle. Such significant delays could have a material adverse effect on our results of operations, business prospects and financial condition. A delay in launching replacement satellites may cause the aggregation and processing of vessel data to suffer and ultimately to not be delivered to customers. Launch vehicles may also underperform, in which case the satellite may be lost or, if it can be placed into service by using its onboard propulsion systems to reach the desired orbital location, will have a shorter useful life. A failed launch could also increase, perhaps prohibitively, our cost of insuring future launches. In addition, we do not have insurance against business interruption, loss of revenues or delay of revenues to cover such events and such revenues may not be recoverable.

Our current insurance does not protect us against all satellite-related losses that we may experience and does not protect us against business interruption, loss of revenues or delay of revenues.

Our business is subject to a number of risks and hazards including adverse conditions or changes in the regulatory environment. Such occurrences could result in damage to equipment, personal injury or death, monetary losses and possible legal liability. Despite any insurance coverage which we currently have or may secure in the future, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or we may elect not to insure against such liabilities due to high premium costs or other reasons, in which event we could incur significant costs that could have a materially adverse effect upon our financial position.

While we do have insurance coverage for failures of our satellites, including launch and in-orbit coverage, our current insurance does not protect us against all satellite-related losses that we may experience. Our insurance does not protect us against business interruption, loss of revenues or delay of revenues. Our existing launch and in-orbit insurance policies include, and any future policies that we obtain can be expected to include, specified exclusions, deductibles and material change limitations. Typically, these insurance policies exclude coverage for damage or losses arising from acts of war, anti-satellite devices, electromagnetic or radio frequency interference and other similar potential risks for which exclusions are customary in the industry at the time the policy is written. In addition, they typically exclude coverage for satellite health-related problems affecting our satellites that are known at the time the policy is written or renewed. Any claims under existing policies are subject to settlement with the insurers.

The price, terms and availability of satellite insurance has fluctuated significantly in recent years. These fluctuations may be affected by recent satellite launch or in-orbit failures and general conditions in the insurance industry. Launch and in-orbit policies on satellites may not continue to be available on commercially reasonable terms or at all. To the extent we experience a launch or in-orbit failure that is not fully insured, or for which insurance proceeds are delayed or disputed, we may not have sufficient resources to replace the affected satellite. In addition, higher premiums on insurance policies increase costs, thereby reducing our available cash. In addition to higher premiums, insurance policies may provide for higher deductibles, shorter coverage periods, higher loss percentages required for constructive total loss claims and additional satellite health-related policy exclusions. There can be no assurance that, upon the expiration of an in-orbit insurance policy, which typically has a term of one year, we will be able to renew the policy on terms we find acceptable.

Replacing satellites at the end of service life is costly and we may not have sufficient funds available to replace those satellites.

To ensure no disruption in our business and to prevent loss of customers, we will be required to commence construction of a replacement satellite approximately 3 to 5 years prior to the expected end-of-life of the subject satellite then in orbit. Typically, it currently costs in the range of $3.0 to $10.0 million to construct, launch and insure a satellite that is capable of producing 3,000,000 AIS reports per day. There is no assurance that we will have sufficient cash, cash flow or be able to obtain third party or shareholder financing to fund such expenditures on favorable terms, if at all. Should we not have sufficient funds available to replace those satellites, it could have a material adverse effect on our results of operations, business prospects and financial condition.

Delays in launching satellites are not uncommon and result from construction delays, the periodic unavailability of reliable launch opportunities, delays in obtaining required regulatory approvals, weather, timetable conflicts and launch failures.

We are dependent on launch schedules which have proven to be extremely variable. We either sign agreements to allow our payloads to be hosted on other company's satellites or we launch our own satellites. Inherent in either method are possible delays in satellite launch schedules. Delays in launching satellites are not uncommon and result from construction delays, the periodic unavailability of reliable launch opportunities, delays in obtaining required regulatory approvals, weather, timetable conflicts and launch failures, as well as government intervention such as sanctions imposed affecting the company contracted to launch the satellite, which can also result in cancellation of the launch. If satellite construction schedules are not met, a launch opportunity may not be available at the time the satellite is ready to be launched. Delays in the commencement of service may affect plans to replace an in-orbit satellite prior to the end of its service life, may result in the expiration or cancellation of launch insurance and may result in the loss of regulatory approvals for satellite launch and operations. The failure to implement new or replacement satellite deployment plans on schedule could adversely affect our ability to capture market share and/or have a material adverse effect on our results of operations, business prospects and financial condition.

Iridium NEXT may be our primary source for AIS data after IOC.

Pursuant to the Harris Agreement, we may generate all or a significant portion of our AIS data through the Second Generation Constellation hosted on-board Iridium NEXT. The terms of the Harris Agreement require us to continue to operate our First Generation Constellation until IOC, which is currently anticipated for January 1, 2018. When all of the satellites comprising the Second Generation Constellation are operational, we may decide not to use our existing First Generation Constellation to track AIS signals with the effect that we may become dependent on the Second Generation Constellation hosted on-board Iridium NEXT for our AIS data. Additionally, given the upfront payments required from us under the Harris Agreement, we may decide not to continue to invest in new satellites. Without a sufficiently large and modern fleet of satellite assets of our own, we may become dependent on the Second Generation Constellation hosted on-board Iridium NEXT for our AIS data. If that should occur, and there is an equipment failure, malfunction or other kind of disruption such as a satellite anomaly, or Harris or Iridium fails to obtain or maintain proper regulatory approvals, we may not be able to obtain AIS data or sufficient amounts of AIS data. This could have a material adverse effect on our results of operations, business prospects and financial condition.

The risk factors listed elsewhere in this "Risk Factors" section that pertain to satellite risk, including launch failure, commercial service lives of satellites and replacing satellites at the end of service life, should be read as also applying to the Second Generation Constellation hosted on-board Iridium NEXT. We do not reduce our satellite-related risk by not owning our own constellation of satellite assets.

Iridium has priority over the Second Generation Constellation hosted on-board Iridium NEXT.

We have agreed that the Iridium NEXT program, Iridium NEXT and any satellite or payload that is part of Iridium NEXT has priority and takes precedence over the operation of the Second Generation Constellation. This prioritization may result in Iridium deciding not to launch or host the Second Generation Constellation, the suspension or discontinuance of operations or reduction of resources to the Second Generation Constellation or otherwise degraded performance of the Second Generation Constellation which in each case could have a material adverse effect on our results of operations, business prospects and financial condition.

Iridium does not have any contractual obligations to us and we are not able to control any aspect of Iridium NEXT.

We do not have a contractual relationship with Iridium and Iridium does not have any contractual obligations to us. Harris and Iridium have entered into a hosting and cost reimbursement agreement and a data transmission services agreement (the "**Iridium Agreements**") in connection with Iridium NEXT and the Second Generation Constellation. The Iridium Agreements, to which we are not a party and to which we have not been granted access, contain the contractual terms related to the hosting of the Second Generation Constellation. While Harris has provided certain representations, warranties and covenants to us regarding the Iridium Agreements, only Harris on its own behalf, can make a claim against Iridium for a breach of one or more of the Iridium Agreements. To the extent that there is a breach under one or more of the Iridium Agreements that affects our ability to obtain AIS data from the Second Generation Constellation hosted on-board Iridium NEXT, our recourse under the Harris Agreement is limited, and this may have a material adverse effect upon our business, financial condition and results of operations.

We are required to share a substantial part of our revenue with Harris Corporation pursuant to the Harris Agreement.

Under the terms of the Harris Agreement, each of us and Harris must pay a significant portion of our respective revenues from the sale of AIS Source Data (as defined in the Harris Agreement) and AIS-based products to the other party based on certain metrics related to timing and specific product categories. There can be no guarantee that we will receive substantial revenue from Harris. We may pay a substantial portion of our revenue to Harris while collecting a smaller amount from Harris in return. There can be no guarantee that we will obtain a higher return on our capital that will be invested in upfront costs, annual costs and revenue share paid to Harris in exchange for AIS Source Data generated from the Second Generation Constellation hosted on-board Iridium NEXT as compared to what we would have earned had we invested such funds in our own satellite constellation and not been obligated to share our revenue with Harris.

The Harris Agreement includes a decision-making committee with broad discretion.

Pursuant to the Harris Agreement, we and Harris have delegated certain decision-making authority to the ACT, a joint committee comprised of three representatives from each party. The ACT has the discretion to determine certain operational and financial details such as determining the target service levels to be maintained by each of us and Harris, setting certain aspects of pricing and amendments to revenue targets, to determine how jointly-developed intellectual property should be owned and to decide on certain elements of dispute resolution. Decisions of the ACT must be made unanimously, however in the event that a unanimous decision cannot be reached, senior executives of each party will confer in good faith to resolve the dispute. The failure of the parties to agree on contentious issues may have a material adverse impact on our business and ongoing operations.

We and Harris Corporation may have co-ownership rights in certain intellectual property.

Pursuant to the Harris Agreement, the ownership of any intellectual property that is jointly developed by us and Harris during the term of the Harris Agreement will be allocated as we and Harris determine, but if we do not reach agreement with Harris in this regard, the intellectual property will be jointly owned by us and Harris, unless determined otherwise by the ACT. If we and Harris co-own such intellectual property, we each may exploit such intellectual property rights, including transferring or licensing them. Depending on the arrangement with Harris, Harris may use such intellectual property to its own advantage upon termination of the Harris Agreement. As a result, after termination, Harris may become a competitor to us and we may not be able to retain some or all of our customers or obtain business from new customers. We and Harris may dispute the ownership of certain intellectual property rights required to operate our business or we and Harris may have failed to identify and protect valuable intellectual property to reduce competition. Any of these outcomes could have a material adverse effect upon our business, financial condition and results of operations.

We and Harris Corporation will have co-ownership rights in newly-created AIS data and certain AIS data currently owned by us.

Pursuant to the Harris Agreement, we and Harris will be equal co-owners of AIS Source Data (as defined in the Harris Agreement) produced during the term of the Harris Agreement and equal co-owners of certain of our archived AIS data. Additionally, we and Harris will have co-ownership of AIS data produced by us using our First Generation Constellation during the term of the Harris Agreement. Harris may use the co-owned Source Data and/or AIS data to its own advantage following termination of the Harris Agreement. As a result, Harris may become a competitor to us and we may not be able to retain some or all of our customers or obtain business from new customers and this could have a material adverse effect upon our business, financial condition and results of operations.

The Harris Agreement has non-competition provisions and is an exclusive agreement.

Pursuant to the Harris Agreement, we are restricted from entering into business arrangements that are contrary to, or that conflict, with the Harris Agreement, and we have agreed to participate exclusively with Harris during the term of the Harris Agreement. The Harris Agreement also contains non-competition provisions that prohibit us from entering into, or providing, managerial, supervisory, administrative or consulting services or assistance to, representing or owning any beneficial interest in, any business with operations engaged in the creation or sale of VHF data services similar to those offered by the Second Generation Constellation, or products containing or derived therefrom. These restrictions on our business may prevent us from entering into possible beneficial arrangements or making certain acquisitions, in each case which may limit our ability to grow and generate additional revenue and profits. These restrictions may result in us being reliant on Harris for revenue growth. If we are engaged in disputes with Harris as a result of joint operations it could have a material adverse effect upon our business, financial condition and our operations.

Our strategic plan may be adversely impacted if the Harris Agreement is terminated, does not otherwise meet our expected service levels or the parties fail to renew the Harris Agreement.

The term of the Harris Agreement is until the end of the mission life of Iridium NEXT (as determined by the parties), or if we are unable to agree with Harris on a determination of this date, then the term shall end on the later of (i) 12.5 years after IOC and (ii) the date on which the Second Generation Constellation no longer meets certain service levels stipulated in the Harris Agreement. The Harris Agreement may also be terminated prior to the expiry of the term upon occurrence of specific events of "force majeure" including, among others, systemic failure, destruction or decommissioning of Iridium NEXT, failure of Iridium to obtain and maintain the proper authorizations, breaches by Iridium or failure of Iridium to deliver AIS data. There can be no assurance as to the terms upon which the Harris Agreement will be renewed, if at all, or that upon the termination of the Harris Agreement, we will be able to obtain sufficient replacement infrastructure, or required funding in respect thereof, to obtain comparable AIS data and consequently to continue to deliver our products and services at the same level of service to our existing and new customers. If we are unable to renew the Harris Agreement, or unable to renew it on terms which are acceptable to us, or we are unable to enter into a replacement agreement, it may have a material adverse effect upon our business, financial condition and results of operations.

We are required to meet certain revenue targets under the Harris Agreement.

Under the terms of the Harris Agreement, each of us and Harris must meet certain minimum annual revenue targets. Starting in our and Harris' respective fiscal year following the fifth anniversary of IOC, we are required to generate a minimum of US$51 million in annual revenue, while Harris is required to generate US$14 million in annual revenue, in each case in respect of products contemplated under the Harris Agreement. If a party to the Harris Agreement does not meet the minimum revenue requirements and also fails to achieve a sufficient share of the total commercial S-AIS market as determined by the ACT, then the defaulting party shall elect either to (i) forego exclusivity in its territory, following which the non-defaulting party must pay to the defaulting party 33% of the non-defaulting party's revenue generated from the territory that had formerly been exclusive to the defaulting party, or (ii) pay to the non-defaulting party an amount equal to the revenue share that would have been payable to the non-defaulting party had the minimum annual revenue target been met. There is no assurance that we or Harris may meet the minimum annual revenue targets or the required market share of the commercial S-AIS market.

We have incurred significant operating losses in each of the last three years.

We incurred net losses after finance charges of $3.755 million in 2014, $4.125 million in 2013 and $5.933 million in 2012. At October 31, 2014, we had an accumulated deficit of $30.952 million. These losses and accumulated deficit were due to the substantial investments we made to grow our business and acquire customers.

Significant expenditures to support our growth strategy may include investments in our satellites, earth stations and physical infrastructure, costs associated with the development of new products, expected increase in sales and marketing expenses, general and administrative costs and potential strategic acquisitions. We expect that our operating expenses will continue to increase as we spend resources on growing the business, and if our revenue does not correspondingly increase, our operating results and financial condition will suffer. The amount of these expenditures is difficult to forecast accurately and cost overruns may occur. We cannot be certain of the timing and extent of revenue receipts and expense disbursements. To become profitable, we will have to generate sufficient revenue while controlling costs and expenses. Our recent revenue growth should not be considered as indicative of future performance. Accordingly, we cannot be sure that we will achieve profitability in the future, nor that, if we do become profitable, that we will sustain profitability. Consequently, we cannot make assurances that we will generate positive cash flows from operating activities in the future or, if we do generate positive cash flows from operating activities, that they will be sustained.

We may suffer from a failure of our ground stations or our data processing facility which could result in a significant loss of service for our customers.

We currently operate, or have commercial arrangements for the use of, fourteen ground stations situated in a number of countries. Our ground stations use highly complex technology and are, in some cases, situated in remote locations. Additionally, one of our DPCs is located in Toronto, Ontario, Canada and is essential for processing data collected from our satellites that has been routed through our ground stations. We may experience a partial or total loss of one or more of these facilities due to natural disasters (tornado, flood, hurricane or other such acts of God), fire, acts of war or terrorism or other catastrophic events. A failure at any of these facilities would cause a significant loss of service for our customers. Additionally, there are inherent dangers and risks associated with our satellite operations, including the risk of increased radiation and possibility of in-orbit collisions with other objects. We may experience a failure in the necessary equipment at one or more ground stations, at our DPCs, or in the communication links between our satellites, ground stations and DPCs. A failure at any of our facilities or in the communications links between our facilities could have a material adverse effect on our results of operations, business prospects and financial condition.

We may suffer from failure due to unforeseen technical problems, operator error or orbital collisions involving our satellites.

Our satellites operate in a harsh environment of extreme temperatures, radiation, and space debris. It may not be possible to detect the presence of space debris and in cases where we can, we may not be able to steer our satellites out of the way. Operation of the satellites is carried out remotely and depends on being able to send commands, via ground transmitters, to the satellites. Operator error or other issues could negatively impact the operation of our satellites.

Our in-orbit satellites do not currently occupy all of the orbital locations for which we have obtained regulatory authorizations.

Our First Generation Constellation and our Second Generation Constellation involve non-geostationary LEO satellites which must operate within an approved orbital placement and using allotted frequencies pursuant to the ITU's coordination and notification procedures and Industry Canada regulations. Regarding the satellites we own or operate that are part of our First Generation Constellation, we are responsible for obtaining the necessary approvals from regulators and other radiocommunications operators. If we are unable to obtain regulatory approval for, or to effect placement of satellites into currently unused orbital placements in a manner that satisfies the applicable regulatory requirements, if there are delays in launching, or if we are unable to maintain satellites at the approved orbital locations that we currently use and without causing harmful interference prohibited by the regulatory requirements, we may become non-compliant with the regulatory requirements. We cannot operate our satellites without suitable orbital placements and frequency allotments in which to launch and operate the satellites. The inability to obtain approval for orbital placements or frequency allotments, the inability to operate in approved orbital placements, the inability to achieve coordination and notification of the orbital placement and use of frequency allocations in the future, and delays in launch could negatively affect our plans and our ability to implement our business strategy. These same regulatory risks apply to other satellites in our First Generation Constellation that we do not own or operate and the Iridium NEXT satellites in the Second Generation Constellation.

Any defects or malfunctions in the software we utilize in developing and providing our products could cause severe performance failures.

Our existing and new products depend and will depend on the continuous, effective and reliable operation of computer hardware and software. Any defect, malfunction or other failing in the computer hardware or software we utilize could result in inaccurate data reading, misinterpretations of data, or other performance failures that could render our services unreliable or ineffective and could lead to decreased confidence in our services, damage to our reputation and reduction in our sales, the occurrence of any of which could have a material adverse effect on our results of operations, business prospects and financial condition. Although we update the computer software utilized in our services on a regular basis, there can be no guarantee that defects do not or will not in the future exist or that unforeseen malfunctions, whether within our control or otherwise, will not occur.

We may suffer a financial loss if we infringe on the intellectual property rights of others.

While we believe that neither we nor our products or services infringe or misappropriate the intellectual property rights of any third parties, our commercial success depends, in part, on us not infringing or misappropriating the intellectual property rights of others. A number of our competitors and other third parties may have obtained patents or may have pending patent applications that may be granted, and accordingly such parties may have or obtain patent protection in one or more countries around the world for inventions similar to those which have been or are being developed or used by us. Some of these patents may grant very broad protection to the third party owners.

We have not undertaken a review to determine whether we or our products or services infringe any active third party patents, or may infringe the potential issuance of any third party patents, or whether we would need to change our operations, alter our products or services, obtain licenses, or cease certain activities as a result of the patents or potential patents of others.

In certain cases, we may be prohibited from developing, using or selling certain services and products unless we obtain a license from a third party. There can be no assurance that we will be able to obtain any such license on commercially favourable terms or at all. If we do not obtain such a license, we may be required to cease the sale of certain of our products and services and alter our products and services or alter our operations.

We may become subject to claims by third parties alleging that we or our products or services infringe or misappropriate the intellectual property rights of others. Legal proceedings in one or more countries may be necessary to determine the scope, enforceability and validity of third party intellectual property rights. Some of our competitors have, or are affiliated with companies having, substantially greater resources than us and these competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than we can. Regardless of the merit of any such infringement or misappropriation claims they can be time consuming to evaluate and defend, result in costly legal proceedings, cause product shipment and service delays or stoppages in one or more countries, divert management's attention and focus away from the business, subject us to significant liabilities and equitable remedies including damages and injunctions, require us to enter into costly royalty or licensing agreements and require us to modify our activities, products, or services, or stop using or selling certain products or services in one or more countries around the world.

We may suffer a significant financial loss if we do not successfully protect our intellectual property rights.

Our success depends, in part, on our ability to maintain various forms of legal protection including, without limitation, patent, trademark, copyright, and confidential information protection over aspects of our products, services, processes, and know-how, and over our trade secrets, inventions, and software (collectively referred to as "technology").

We have filed Patent Cooperation Treaty patent applications for certain aspects of our products, services and operations. We have also filed for patent protection in the United States and have the option to enter the national phase in a number of countries. However, we may not seek patent protection in all countries where we sell or may sell our products and services due to the cost associated therewith other business considerations. We may not obtain a patent application if it is refused by the local patent office of the corresponding filing country and we may choose not to maintain a patent application or patent in a particular country.

We have recently acquired patents and patent applications from COM DEV in the field of systematic data distilled from broadcasts of AIS messages. We have sublicensed certain of the intellectual property received from COM DEV to others and have indemnified those parties with respect to claims of intellectual property infringement resulting from the use of such intellectual property.

In connection with this acquisition, we have granted to COM DEV an exclusive, irrevocable, perpetual, world-wide royalty-free license to use the acquired intellectual property for any purpose outside of AIS data (systematic data distilled from broadcasts of AIS messages) applications. The intellectual property we have licensed includes, without limitation, patents, copyright, know-how, trade-secrets, and confidential and proprietary information relating to AIS. While we have an indemnity from COM DEV for any third party claims against us arising from or relating to products or services provided by COM DEV or COM DEV's licensees or sub-licensees, there can be no assurance that such indemnity will be sufficient or adequate to cover any damages that we may incur as a result of COM DEV's misuse of our intellectual property.

Our intellectual property may be subject to impeachment, opposition or cancellation proceedings or other challenges commenced by third parties. The validity of an issued patent or the patentability of a pending patent application may be challenged on a number of grounds, and the outcome of such challenges is inherently unpredictable. If such a challenge is successful in whole or in part then the subject patent application may not be granted or the subject patent may be found to be invalid, or certain patent claims may be cancelled, in which case the patent or patent claims will be unenforceable. A third party may also oppose or challenge our use of certain trademarks. If such a challenge is successful then we may have to re-brand some of our products or services.

While the majority of our patents, patent applications and copyright were recently issued, filed, or created, these types of intellectual property have limited terms such that the legal protection afforded therefor will expire at the end of the term.

Despite precautions, a third party may be able to independently develop or legally or illegally obtain, and then subsequently use, our technology. There can be no assurance that any steps taken by us will prevent the use of our technology by others, including in countries in which we have not obtained patents. If our intellectual property is infringed by a third party or if our technology has been misappropriated, we may need to commence legal proceedings against that party in one or more countries. The result of any such legal proceedings may be uncertain, and such legal proceedings could result in substantial costs and diversion of resources and could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on third-party contractors for certain aspects of our business.

There are a limited number of manufacturers that are able to design and build satellites according to the technical specifications and standards of quality we require. There are also a limited number of suppliers able to launch such satellites. Adverse events with respect to any of our manufacturers or launch suppliers could result in the delay of the design, construction or launch of our satellites. General economic conditions may also affect the ability of our manufacturers and launch suppliers to provide services on commercially reasonable terms or to fulfill their obligations in terms of manufacturing schedules, launch dates, pricing, or other items. Even where alternate suppliers for such services are available, we may have difficulty identifying them in a timely manner, we may incur significant additional expense in changing suppliers, and this could result in difficulties or delays in the design, construction or launch of our satellites. Any delays in the design, construction or launch of our satellites could have a material adverse effect on our business, financial condition and results of operations.

We purchase equipment from third party suppliers and depend on those suppliers to deliver and support these products to the contracted specifications in order for us to meet our service and contractual commitments to our customers. We may experience difficulty if these suppliers do not meet their obligations to deliver and support this equipment. We may also experience difficulty or failure when implementing, operating and maintaining this equipment, or when providing services using this equipment. This difficulty or failure may lead to service interruptions or degradations in the product offered to our customers, which could cause our revenues to decline materially and could adversely affect our ability to market its services and generate future revenues and profit.

We rely heavily on certain relationship with third parties as part of our business.

We have established preferred relationships with COM DEV, Hisdesat and their respective affiliates. These relationships provide for marketing, sales, and technical support that help us to expand our opportunities, and provide us with systems and services to fulfill our procurement requirements. If we fail to maintain and enhance these relationships, or to establish new relationships in the future, this could have a material adverse effect on our business, results of operations and/or financial condition.

In addition, we communicate with our satellites through various ground stations which transmit and receive information to and from the satellite. A majority of our ground stations are owned and maintained by third parties, such as KSAT, and therefore if our relationship with these parties deteriorates then our operations could be adversely affected.

We rely on third-party distributors to market and sell our products and services to end users. Our distributors operate independently of us, and we have limited control over their operations, which exposes us to significant risks; including selling our services to proscribed countries. Distributors may not commit the necessary resources to market and sell our products and services and may also market and sell competitive products and services. In addition, our distributors may not comply with the laws and regulatory requirements in their local jurisdictions, which could limit their ability to market or sell our products and services. If current or future distributors do not perform adequately, or if we are unable to locate competent distributors in particular countries and secure their services on favorable terms, we may be unable to increase or maintain our revenue in these markets or enter new markets, we may not realize our expected growth, and our brand image and reputation could be materially and negatively affected.

Our share of the AIS data market and other areas of the maritime information market may be lost to competitors.

While the patented AIS data processing technology that we own which, along with the capital cost to acquire and launch satellites, provides a barrier to entry for many potential competitors, there are relatively low barriers to entry for certain experienced and well capitalized competitors. We may face increasing competition in the AIS tracking market. Large companies with expertise in satellite technology and use and data aggregation may have significantly more resources than we have and may be able to enter our market. We are constantly exposed to the risk that our competitors may implement disruptive technology, or new technology before we do, or may offer lower prices, additional products or services or other incentives that we cannot and will not offer. We can give no assurances that we will be able to compete successfully against existing or future competitors.

Both commercial and government organizations have indicated that they might build and launch satellites capable of collecting AIS information from space. In the case of some competitors, the AIS signal collection is a secondary use of the satellites and thus has a lower marginal cost than for us. Terrestrial collection of AIS signals is relatively inexpensive and while the range of detection is limited, this capability may be sufficient for some potential customers.

The markets in which we operate are characterized by changing technology and evolving industry standards.

Any failure or delays by us in meeting or complying with changing technology and an evolving industry could have a material adverse effect on our business prospects, results of operations and financial condition. Our ability to anticipate changes in technology, technical standards and the needs of the industries we serve or propose to serve will be a significant factor in our ability to compete or expand into new markets. There can be no assurance that we will be successful in identifying, developing and marketing products or systems that respond to rapid technological change, evolving standards or individual customer standards or requirements.

We will be required to invest in technology to meet the changing needs of our customers. Technological development is expensive and requires significant lead time. It is possible that we may not be successful in developing new technology or that the technology we are successful in developing may not meet the needs of our customers or potential new customers. Our competitors may also develop technology that better meets the needs of our customers, which may cause those customers or potential new customers to migrate to our competitors. If we do not continue to develop, manufacture and market innovative technologies or applications that meet customers' requirements, sales may suffer which could have a material adverse effect on our business prospects, results of operations and/or financial condition.

Our customers may change their product requirements and we may not be able to meet this change.

Our products have a variety of applications. Despite this variety, there can be no guarantee that our customers will continue to be satisfied with the current applications of our products. We can give no assurances that we will be able to meet changing customer requirements, or to meet them quickly enough. The failure to meet changing customer requirements could result in a material adverse effect on our results of operations, business prospects and financial condition.

We rely on a limited number of customers to provide a substantial portion of revenue, many of which are Governments of sovereign nations.

For our fiscal years ended October 31, 2014, October 31, 2013 and October 31, 2012, our three largest customers and their affiliates represented approximately 60.2%, 62.7% and 71.8% of our revenue, respectively. The loss of, or default by, one or more of these customers could significantly affect our business.

Although we monitor our larger customers' financial performance and seek deposits, guarantees and other methods of protection against default where possible, customers may in the future default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons. Defaults by any of our larger customers or by a group of our smaller customers who, collectively, represent a significant portion of our revenue could have a material adverse effect on our results of operations, business prospects and financial condition.

In addition, because service revenue depends either partially or entirely on the usage of our products and services by our customers and end users, the decline or slowdown in the growth of usage patterns of these customers which could occur at any time and with or without a reduction in the number of our billable subscribers could have a material adverse effect on our business, financial condition and results of operations.

We rely heavily on contracts with Government customers which customers are subject to political change. Additionally, we operate in a market that is subject to significant Government regulation.

A significant amount of our sales are to government agencies. Changes in Government policies, priorities or regulations, tax revenue or funding levels through agency or program budget reductions, the imposition of budgetary constraints or the lack of Government appropriations or the delay and/or deferment in Governmental contract approvals or in Government programs could have a material adverse effect on our results of operations, business prospects and financial condition. A decline in Governmental support and funding for programs in which we or our customers participate could result in contract terminations, delays in contract rewards, the failure to exercise contract options, renewals of existing contracts at lower prices, the cancellation of planned procurements and fewer new business opportunities, any of which could result in a material adverse effect on our results of operations, business prospects and financial condition. Furthermore, contracts with any Government, including the Canadian or United States Government, may be terminated or suspended by the Government at any time, with or without cause. There can be no assurance that any contract with the Government of any country will not be terminated or suspended in the future. Although we attempt to ensure that Government contracts have, as standard provisions, termination for convenience language which reimburses the contractor for reasonable costs incurred, subcontractor and employee termination and wind-down costs plus a reasonable amount of profit thereon, the payments are not assured and may not be sufficient to fully compensate us for any early termination of a contract, which may impact our results of our operations and financial condition.

The majority of the areas in which we operate are subject to significant regulation. These regulations are subject to change. A failure by us to keep current and compliant with these changes could result in sanctions or financial penalties that may have a material adverse effect on our results of operations, or limit our ability to operate in a specific market.

The operation of certain systems, such as satellites or other devices, which are or will be operated by us, require us to obtain regulatory approvals, such as those relating to licences and communication frequencies. In certain circumstances third parties may be required to obtain such approvals or licences. There can be no assurance that the approvals or licences will be obtained by either us or third parties on a timely basis or retained for continuous operations. A failure to obtain approvals or licences could affect our results of operations and financial condition.

Current and future global financial markets have been and may continue to be volatile and may negatively affect us, our counterparties and our customers.

Current and future global financial markets have been and may continue to be subject to increased volatility. Access to financing has been negatively impacted in Canada, the United States and elsewhere. As such, we are subject to counter-party risk and liquidity risk. We are exposed to various counter-party risks including, but not limited to: (i) risks relating to financial institutions that hold our cash; (ii) risks relating to companies or Governments that have payables to us or to whom we have made prepaid expenditures; and (iii) risks relating to our insurance providers.

The current state of the global financial markets may negatively impact our ability to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to us. If levels of volatility are increased or there is market turmoil, our planned growth could be adversely impacted and the trading price of our securities could be adversely affected.

Customers may reduce or postpone expenditures in view of the uncertainty of the global credit and financial markets and the limitations on available credit. Additional impacts of prevailing global financial conditions may include the inability of key suppliers to remain solvent and/or to obtain sufficient financing for the development and manufacture of the satellites, earth stations and other technological requirements.

We may have difficult accessing additional capital on reasonable financial terms, or at all.

Implementation of our business strategy requires the outlay of additional capital. As we pursue our business strategies and seek to respond to developments in our business and opportunities, either organic or via potential strategic acquisitions, and trends in the industry, our actual capital expenditures may differ from those that we expect. Moreover, implementation of our business strategies could result in potentially dilutive issuances of equity securities, significant expenditures of cash, the incurrence of debt and contingent liabilities or an increase in amortization expenses. There can be no assurance that we will be able to satisfy our capital requirements in the future. In addition, if one of our satellites failed unexpectedly, there is no assurance of insurance recovery or the timing thereof and we may need to obtain additional financing to replace the satellite. The availability and cost to us of external financing depends on a number of factors, including our credit rating (if any) and financial performance and general market conditions. Declines in our expected future revenues under contracts with customers and challenging business conditions faced by our customers are among the other factors that may adversely affect our credit. The overall impact on our financial condition of any transaction that we pursue may be negative or may be negatively perceived by the financial markets and ratings agencies and may result in adverse rating agency actions with respect to our credit rating (if any). Deterioration in our financial performance could limit our ability to obtain financing or could result in any such financing being available only at greater cost or on more restrictive terms than might otherwise be available.

We may suffer as a result of software errors, bugs or other vulnerabilities.

Our products incorporate software and algorithms that are highly technical and complex. They have contained, and may now or in the future contain, undetected errors, bugs, or vulnerabilities. Some errors in these technologies may only be discovered after release and could result in damage to our reputation, loss of customers, loss of users, loss of revenue, or liability for damages, any of which could have a material adverse effect on our results of operations, business prospects and financial condition.

We may be subject to an attack on, or failure of, our technical infrastructure.

Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security, and availability of our products and technical infrastructure to the satisfaction of our customers and users may harm our reputation and ability to retain existing customers and attract new customers. We have security measures in place to protect our infrastructure from break-ins by hackers, and are continually upgrading such security measures, but no system is entirely secure, and accordingly this risk must be acknowledged. Computer viruses or break-ins by hackers could negatively affect us in several ways, including theft, compromise and/or misuse of proprietary collected historical or future data, technical information or customer information, interruptions in service to customers and business partners.

Our business is dependent on the Internet.

Our ability to create our products and deliver them to customers depends in part on the use of the Internet. Usage of the Internet may be inhibited for a number of reasons. The Internet infrastructure may not be able to support the demands placed on it by continued growth and may lose its viability due to delays in the development or adoption of new equipment, standards and protocols to handle increased levels of Internet activity, security, reliability, cost, ease-of-use, accessibility and quality of service. Federal, state, provincial, local or foreign Governments may adopt laws or regulations limiting the use of the Internet. Any disruptions in our usage of the Internet could result in a material adverse effect on our results of operations, business prospects and financial condition.

We are party to agreements that provide for indemnifications and guarantees.

In the normal course of business, we enter into agreements that provide for indemnification and guarantees to counterparties in transactions involving sales of assets, sales of services, purchases and development of assets and operating leases. The nature of almost all of these indemnifications prevents us from making a reasonable estimate of the maximum potential amount that we could be required to pay counterparties. If these payments were to become significant, future liquidity, capital resources and our credit risk profile may be adversely affected.

In the future, we may pursue acquisitions, dispositions and strategic transactions, which may include joint ventures and strategic relations, as well as business combinations or the acquisition or disposition of assets.

Acquisitions, dispositions and strategic transactions involve a number of risks, including: (i) potential disruption of our ongoing business, (ii) distraction of management, (iii) we may become more financially leveraged, (iv) the anticipated benefits and costs savings of those transactions may not be realized fully or at all or may take longer to realize than expected, (v) increasing the scope and complexity of our operations, and (vi) loss or reduction of control over certain of our assets.

The presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition could have a material adverse effect on our results of operations, business prospects and financial condition. A strategic transaction may result in a significant change in the nature of our business, operations and strategy. In addition, we may encounter unforeseen obstacles or costs in implementing a strategic transaction.

We may not be able to properly manage our growth.

Failure to manage our growth successfully may adversely impact our operating results. Our ability to manage growth will require us to continue to build our operational, financial and management controls, human resource policies, and reporting systems and procedures. Our ability to manage our growth will also depend in large part upon a number of factors, including our ability to rapidly: (i) expand our internal and operational and financial controls significantly so that we can maintain control over operations; (ii) attract and retain qualified technical personnel in order to continue to develop reliable and flexible products that respond to evolving customer needs; (iii) build a sales team to keep customers informed regarding the technical features issues and key selling points of our products, and (iv) obtain adequate capital required to fund our growth plans. We must also successfully implement our sales and marketing strategy, respond to competitive developments, and further commercialise our products.

Failure to effectively manage the expansion of our product portfolio in a cost-effective manner could result in declines in product and service quality and customer satisfaction, disruption of our operations, or increased costs, which would reduce our ability to expand our margins as we expect. We currently face a variety of challenges, including maintaining the infrastructure and systems necessary for us to manage the growth of our business. As our product portfolio continues to expand, the responsibilities of our management team and other company resources also grow. Consequently, we may further strain our management and other company resources with the increased complexities and administrative burdens associated with a larger, more complex product portfolio.

We cannot assure an investor that we have made or will make adequate allowances for the costs and risks associated with the expansion of our business, that our systems and procedures or controls will be adequate to support our operations, or that we will be able to successfully offer and expand our suite of products. We cannot assure an investor that we will be able to manage our growth or shifts in our business revenues effectively. An inability to achieve any of these objectives could harm our business, financial condition and results of operations.

We will need to gain an increasing share of a growing market in order to successfully execute on our business plan.

We are not able to predict with full certainty the total size of the addressable market and what portion of that market we will ultimately capture. Pricing levels, competitor behaviour and customer adoption rates will ultimately determine the success of our business plan.

We rely on a number of key employees, including members of our management and certain other employees possessing unique experience in scientific, technical and commercial aspects of the satellite and data aggregation and analysis business.

If we are unable to retain our key employees, it could be difficult to replace them. In addition, our business, with its constant technological developments, must continue to attract highly qualified and technically skilled employees. The available talent pool of individuals with relevant experience in the satellite, Big Data and geospatial industries is limited, and the process of identifying and recruiting personnel with the skills necessary to operate our system can be costly. New employees generally require substantial training, which requires significant resources and management attention. Even if we invest significant resources to recruit, train and retain qualified personnel, we may not be successful in our efforts. In the future, our inability to retain or replace these employees, or our inability to attract new highly qualified employees, could have a material adverse effect on our results of operations, business prospects and financial condition.

We face certain risks due to our global operations.

We have global operations and as a result, changes in domestic and foreign governmental regulations and licensing requirements, deterioration of relations between Canada and a particular foreign country, increases in tariffs and taxes and other trade barriers, austerity programs or similar significant budget reduction programs, civil unrest or wars or economic or political or social instability in the areas that we provide our services may result in us being unable to perform our contracts or otherwise successfully operate. We may also encounter difficulties in enforcing our contracts for payment for services in certain countries due to the legal systems in place in such countries. Our international operations also expose us to exchange controls and foreign currency exchange risks. These risks could impact our revenues. In addition, certain countries may impose withholding taxes on us or on our customers. These taxes can make the services more expensive or impose an unanticipated tax burden on us.

We are exposed to foreign exchange risk as a result of transactions in currencies other than our functional currency, the Canadian dollar.

The majority of our revenue is transacted in Canadian dollars; however portions of the revenue are denominated in Pounds sterling and Euros. Purchases, consisting primarily of the majority of salaries, certain operating costs, and manufacturing overhead, are incurred primarily in Canadian dollars. Our foreign operations are conducted through our Subsidiary. The assets and liabilities of the foreign operations are translated into Canadian dollars using the exchange rates in effect at the dates of the consolidated statements of financial position. Foreign currency risks arising from translation of assets and liabilities of foreign operations into our functional currency are generally not hedged.

We are subject to interest rate risk, primarily with respect to new financings that we may undertake.

Our risk exposure to market interest rates relates primarily to new financing that we may undertake following the repayment of our indebtedness owing to the Selling Shareholders as described under the section of this prospectus titled "Use of Proceeds". Our policy will be to review our borrowing requirements on a continual basis and to enter into fixed or variable interest rate borrowing arrangements as required.

We are exposed to credit risk from the potential default by counterparties that carry our cash and cash equivalents.

We attempt to mitigate our credit risk by dealing only with large financial institutions with good credit ratings. All of the financial institutions that we transact with meet these qualifications; however there can be no guarantee as to the solvency or reliability of such counterparties.

Credit risk also arises from the inability of customers to discharge their obligation to us. If one or more customers were to delay, reduce or cancel Order Bookings, our overall Order Bookings may fluctuate and could adversely affect our operations and financial conditions. In the normal course of business, we monitor the financial condition of our customers and review the credit history of each new customer.

Liquidity risk is our ability to meet our financial obligations when they come due.

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of our financial assets (e.g., accounts receivable, other financial assets), liabilities (e.g., payables, loans), and projected cash flows from operations. Our objective is to maintain a balance between continuity of funding and flexibility through borrowing facilities available through our bank and purchase contracts. Our policy is to ensure adequate funding is available from operations, established lending facilities and other sources are required. An inability to properly manage our liquidity risk could have a material adverse effect on our results of operations, business prospects and financial condition.

Our revenue is difficult to forecast and may fluctuate significantly from quarter to quarter. In addition, our operating results may not follow any past trends.

The factors affecting our revenue and results, some of which are outside of our control, include: (i) competitive conditions in the industry, including strategic initiatives by us or our competitors, new products or services, product or service announcements and changes in pricing policy by us or our competitors, (ii) our ability to maintain existing relationships and to create new relationships with customers, (iii) the length and variability of the sales cycles for our products, (iv) strategic decisions by us or our competitors or our prospective competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in our business strategy, (v) general weakening of the economy, or demand for maritime data, resulting in a decrease in the overall demand for our products and/or (vi) timing of product development and new product initiatives.

We will be subject to taxes in Canada and certain foreign jurisdictions.

Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. We are also subject to the examination of our tax returns and other tax matters by applicable tax authorities and Governmental bodies. We intend to regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of taxes owed is for an amount in excess of amounts previously accrued, this could have a material adverse effect on our results of operations, business prospects and financial condition.

We will be required to make accounting estimates and judgments in the ordinary course of business.

Such accounting estimates and judgments will affect the reported amounts of our assets and liabilities at the date of our financial statements and reports and the reported amounts of our operating results during the periods presented. Additionally, we will be required to interpret the accounting rules in existence as of the date of the financial statements and reports when the accounting rules are not specific to a particular event or transaction. If the underlying estimates are ultimately proven to be incorrect, or if auditors or regulators subsequently interpret our application of accounting rules differently, subsequent adjustments could have a material adverse effect on our operating results for the period or periods in which the change is identified.

Additionally, subsequent adjustments could require us to restate our financial statements or reports. A restatement of our financial statements or reports could result in a material change in the price of the Common Shares.

We are subject to litigation risk as part of our business.

Our business is subject to the risk of litigation by employees, customers, suppliers, competitors, shareholders, Government agencies (including but not limited to antitrust regulators), or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation, particularly class action lawsuits, regulatory actions and intellectual property claims, is difficult to assess or quantify. Plaintiffs in these types of lawsuits may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to these lawsuits may remain unknown for substantial periods of time. In addition, certain of these lawsuits, if decided adversely to us or settled by us, may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operations are required. The cost to defend future litigation may be significant. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, litigation could have a material adverse effect on our results of operations, business prospects and financial condition.

There are myriad laws and regulations regarding personal privacy rights and inadvertent disclosures of this information could subject us to legal or civil penalties.

We transmit, and in some cases store, end user data, including personal information. In jurisdictions around the world, the transmission and storage of personal information is becoming increasingly subject to legislation and regulations intended to protect consumers' privacy and security. The interpretation of privacy and data protection laws and regulations regarding the collection, storage, transmission, use and disclosure of such information in some jurisdictions is unclear and evolving. These laws may be interpreted, applied and enforced in conflicting ways from country to country and in a manner that is not consistent with our current data protection practices. Complying with these varying international requirements could cause us to incur additional costs and change our business practices. Because our services are accessible in many foreign jurisdictions, some of these jurisdictions may claim that we are required to comply with their laws, even where we have no local entity, employees or infrastructure. We could face a variety of enforcement actions or government inquiries or be forced to incur significant expenses if we were required to modify our products, our services or our existing security and privacy procedures in order to comply with new or expanded regulations.

In addition, if end users allege that their personal information is not collected, stored, transmitted, used or disclosed appropriately or in accordance with our privacy policies or applicable laws, we could have liability to them, including claims and litigation resulting from such allegations. Any failure on our part to protect end users' privacy and data could result in a loss of user confidence, hurt our reputation and ultimately result in the loss of users.

As an operator of a global satellite system, we are regulated, to varying extents, by Government authorities in Canada and other countries in which we operate and the ITU.

As an operator of a global satellite system, we are regulated by Government authorities in Canada, the United States and other countries in which we operate as well as by the ITU. We have partners (eg: resellers and agents) and goods and services suppliers in other jurisdictions which are regulated by those foreign authorities and have sole responsibility for maintaining compliance with foreign law. We are subject to various laws and regulations governing our business, employment standards, taxes and other matters. It is possible that future changes in applicable federal, provincial or common laws or regulations or the ITU regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting us (including with retroactive effect) or our partners and suppliers. Any changes in the laws to which we or our partners and suppliers are subject could materially adversely affect our results of operations, business prospects and financial condition. It is impossible to predict whether there will be any future changes in the regulatory regimes to which we will be subject or the effect of any such change. See "Regulatory Overview."

Many of our most important customers are Governments of sovereign nations or departments or agencies thereof, some of whom use our products and services for purposes of national defense. Some of these customers may require that we or our partners and suppliers not distribute our data, or portions thereof, that they consider to be important to their national security interests. Any such requirements may materially adversely affect our results of operations, business prospects and financial condition.

Satellites are highly regulated and policies could change which would affect the launch and operation of the satellites in our First Generation Constellation and our Second Generation Constellation. The next three satellites that contain our payload will likely be launched out of Russia and India and due to policy stances by Canada or other countries, these launches could be delayed or even cancelled resulting in a delay in the planned capacity of our system.

The IMO established AIS as a global mandate for open over the air transmission of messages between ships to facilitate collision avoidance and for SOLAS. Our service takes advantage of this global mandate by detecting the same signals from space. The IMO could change the mandate in such a way that detecting the signals from space or extracting useful information from the signals is no longer possible. Such a change would render our service inoperable.

Satellites, satellite payload systems, ground control stations, communications networks and related components, software and technology that we use in our business are subject to the export control laws and regulations of Canada, the United States and other governments. Under these regulations, we may be required to obtain government authorizations to export or re-export these controlled items to our business partners and customers. Similarly, our suppliers may be required to obtain government authorizations to provide certain items to us that are required for the operation of our business. There is a risk that we could be subject to material fines, penalties and other sanctions if we fail to comply with these export control regulations or the terms of the export authorizations issued thereunder.

We are certified under the Canadian Government Controlled Goods Program (CGP) in compliance with the Canadian Defence Production Act ("**CDPA**"). Our employees are subject to security assessment prior to hire, and must be certified and trained to adhere to CGP regulations when possessing, examining or transferring goods and documentation designated as controlled goods under the CDPA. Failure to comply could be classified as a breach in security and result in cancellation of our CGP Certification, the payment of fines and/or risk of imprisonment.

If we or our suppliers fail to obtain or maintain particular authorizations or any of the required licenses on acceptable terms, or to have successful and timely launch of new satellites in our First Generation Constellation or Second Generation Constellation, such failure could delay or prevent us from offering some or all of our services and adversely affect our results of operations, business prospects and financial condition. In particular, we or our suppliers may not be able to obtain all of the required regulatory authorizations for the construction, launch and operation of any of our future satellites or export of controlled goods. Even if we are able to obtain the necessary authorizations, licenses and orbital placement, the licenses we obtain may impose significant operational restrictions, or not protect us from interference that could affect the use of our satellites. Countries or their regulatory authorities or the ITU may adopt new laws, policies or regulations, or change their interpretation of existing laws, policies or regulations, that could cause our existing authorizations and frequency allocations we rely on for use of the satellites to be changed or cancelled, require us to incur additional costs, impose or change existing price ceilings, or otherwise adversely affect our operations or revenues. As a result, any currently held regulatory authorizations and licenses are subject to rescission and renewal and may not remain sufficient or additional authorizations may be necessary that we may not be able to obtain on a timely basis or on terms that are not unduly burdensome. While management does not anticipate any issues with respect to the timely renewal of our licenses, there is no guarantee that such licenses will be renewed. Further, because the regulatory schemes vary by country, we may be subject to regulations in foreign countries of which we are not presently aware that we are not in compliance with, and as a result could be subject to sanctions by a foreign Government.

These same regulatory risks are applicable to the satellites that we do not own or operate, such as the Iridium NEXT satellites, and that are or will be a part of the First Generation Constellation or Second Generation Constellation.

Our satellites may collide with space debris or another spacecraft, which could adversely affect the performance of our constellations.

Although our satellites, including those we own or operate and those owned or operated by third parties, have some ability to actively maneuver to avoid potential collisions with space debris or other spacecraft, this ability is limited by, among other factors, uncertainties and inaccuracies in the projected orbit location of and predicted conjunctions with debris objects. Additionally, some space debris is too small to be tracked and therefore its orbital location is completely unknown; nevertheless, this debris is still large enough to potentially cause severe damage or a failure of our satellites should a collision occur. If our constellations experience satellite collisions with space debris or other spacecraft, our service could be impaired.

Provisions of Canadian law may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

The *Investment Canada Act* (Canada) subjects an acquisition of control of us by a non-Canadian entity to government review if the value of our assets as calculated pursuant to the legislation exceeds a threshold amount. A reviewable acquisition may not proceed unless the relevant Minister is satisfied that the investment is likely to be of net benefit to Canada. This could prevent or delay a change of control and may eliminate or limit strategic opportunities for shareholders to sell their Common Shares.

We are subject to Canadian and UK sanctions laws when we directly provide our goods and services to customers.

We and our UK subsidiary provide goods and services to commercial and government parties around the world. Canada and the UK maintain various laws and sanctions proscribing the transfer of goods and services to certain governments and government agencies and agents and designated persons. Through internal due diligence prior to directly providing goods and services to customers, we are able to limit our liability under Canadian and UK sanctions law. However, there remains inherent risk that these customers or their board of directors, executives, employees are subject to Canadian or UK sanctions, or that the customers transfer our goods and services to such places or persons. Compliance with these Canadian sanctions and other proscribed entity lists is a condition of the RSSSA provisional approval. Although the risk is minimal and we are not aware of any violations to date, there is are legal and business risk regarding the direct provision of goods and services to customers outside of Canada and the UK.

We rely on resellers, agents and suppliers in other jurisdictions to obtain and abide by laws of foreign jurisdictions.

Our First and Second Generations rely on services being provided to us by non-Canadian third parties, such as resellers or manufacturers as well as Harris, which are located in other jurisdictions such as the US and Norway. In some cases, these third parties are in possession of goods (including hardware and software and the AIS products), whether received from us, which would be considered controlled under Canadian and other laws and thus require export permits and controlled goods permits or the equivalent in those jurisdictions. We rely on these third parties to be knowledgeable of, make applications for, obtain and maintain the necessary authorizations of any applicable jurisdiction to possess and distribute these goods to other third parties in various jurisdictions. We rely on these third parties to be knowledgeable of, and abide by the laws of any applicable jurisdiction regarding sanctions on countries or persons. Additionally, these third parties may be making authorized or unauthorized representations relating to us to other third parties and we rely on our third party suppliers to ensure compliance with all applicable laws regarding anti-bribery and corruption. Through our agreements with third parties and through internal due diligence prior to dealing with a third party, we are able to limit our liability under foreign law for the responsibilities of these third parties. However, there remains inherent risk that these laws and regulations of foreign jurisdictions could inhibit the ability of third parties to supply us with goods to support our operations, which could negatively impact our business. In addition, these third parties with whom we deal directly or indirectly may be non-compliant and that such non-compliance poses serious legal or business risk to us.

We may not pay dividends.

We have not paid dividends to the holders of our Common Shares to date. Dividends may be paid if and when operational and financial circumstances permit. Investors seeking cash dividends should not purchase the Offered Shares.

Given our international business, there is a risk that our employees, consultants or agents could violate anti-corruption laws

Anti-corruption laws in effect in many countries, including Canada and the United States, prohibit companies and their intermediaries from making improper payments to public officials for the purpose of obtaining new business or maintaining existing business relationships. Certain anti-corruption laws such as Canada's Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act (the "FCPA") also require the maintenance of proper books and records, and the implementation of controls and procedures in order to ensure that a company's operations do not involve corrupt payments. Since we conduct operations throughout the world, and given that some of our clients are government-owned entities and that our projects and contracts often require approvals from public officials, there is a risk that our employees, consultants or agents may take actions that are in violation of our Group's policies and of anti-corruption laws, which could result in the imposition of material fines, penalties and other sanctions against the Company.

Cybersecurity

We face a variety of risks from cyber attacks and intrusions. These attacks may take the form of malware, computer viruses, cyber threats, cyber extortion, and other types of security and data breaches and may arise from inside and outside of our organization. The attacks may cause significant disruption of our IT networks or related systems, which are critical to the operation of our business and may be critical or essential to the operations of our customers. The risk of our experiencing a cybersecurity incident has increased as the number, intensity, and sophistication of attempted attacks and intrusions have increased globally. Some of our systems manage and protect confidential information, including personally identifiable information, protected health information, and information relating to national security and other sensitive government functions. We face heightened risks of security breaches of systems maintaining and protecting such information. Although we make significant efforts to maintain the security and integrity of our IT networks and related systems, including by implementing various measures to manage the risks of security breaches or network disruptions, there can be no assurance that our security efforts and measures will be able to stave off all cyber threats. We may be unable to anticipate evolving techniques or to implement adequate security barriers or other preventative measures to protect against a constantly shifting cybersecurity threat landscape; thus, it is virtually impossible for us to entirely mitigate this risk. A significant cybersecurity incident could result in the following:

- A disruption of the proper functioning of our IT networks and related systems;
- A disruption of our business operations and/or the operations of our customers;
- Unauthorized access to, and destruction, loss, theft, misappropriation or release of, proprietary, confidential, sensitive or otherwise valuable information of ours or our customers, including trade secrets, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes;
- A compromise of national security and other sensitive government functions;
- An expenditure of significant resources in remedying the damages that result;
- Claims against us for breach of contract, damages, credits, penalties or termination;
- Inquiries, investigations, or litigation on brought by government regulatory agencies; and
- Damage to our reputation with our customers (particularly government agencies) and the public generally.

Any or all of the above could negatively impact our business, financial conditions, operations, and cash flows.

Risk Factors Related to the Offering

Interest of Significant Shareholders

Immediately prior to the Closing, COM DEV and Hisdesat will hold 73% and 27% respectively of the issued and outstanding Common Shares. Assuming the completion of the Offering (and assuming no exercise of the Over-Allotment Option), approximately 44.12% of the issued and outstanding Common Shares will be held by COM DEV and 16.32% by Hisdesat. As a result, these shareholders will have a significant influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions, such as a business combination or other sale of the Company or our assets, for the foreseeable future. We will have a board of directors comprised of seven members, two directors initially nominated by COM DEV and one director initially nominated by Hisdesat. See "Relationships with the Selling Shareholders"

Circumstances may occur in which the interests of one or more of these significant shareholders could be in conflict with the interests of other holders of the Common Shares. In addition, one or more of these shareholders may have an interest in pursuing acquisitions, divestitures or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to the other holders of the Common Shares if the transactions resulted in us being more leveraged or significantly changed the nature of our business operations or strategy. In addition, this concentrated control may provide these shareholders with the ability to prevent and deter takeover proposals from third parties. The concentration of voting power limits an investor's ability to influence corporate matters and, as a result, we may take actions that minority shareholders do not view as beneficial, including rejecting takeover proposals at a premium to the then-prevailing market price of the Common Shares. As a result, the market price of the Common Shares could be adversely affected.

Additionally, one of our significant shareholders is a publicly traded company, is widely held and its ownership and control may undergo substantial changes without our knowledge. Our other significant shareholder is an entity controlled, directly and indirectly by a number of private and public sector organisations, including by a foreign government, and the broader government policy and laws and regulations, as well as prevailing economic factors in that jurisdiction may substantially influence whether it continues to hold shares in the Company or the manner in which it votes such shares. There is no assurance that the interests of either one or both of our significant shareholders will always be aligned with our interests and those of our other shareholders, and there is no assurance that the respective boards and management of our significant shareholders would not make decisions with regard to their holdings of shares in our company and how they vote those shares in a manner that is adverse to us or the market for our shares.

There may be future sales of Common Shares by the Locked-Up Parties which could negatively affect the price of the Common Shares.

Subject to compliance with applicable securities laws and the terms of the Lock-Up Agreements, the Locked-Up Parties may sell some or all of their Common Shares in the future. No prediction can be made as to the effect, if any, such future sales of Common Shares will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the Locked-Up Parties, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares. See "Plan of Distribution — Lock-Up Arrangements."

The Locked-Up Parties may be released from restrictions in their respective Lock-Up Agreements and may sell some or all of their Common Shares prior to the expiry of the Lock-Up Period.

The Locked-Up Parties who entered into the Lock-Up Agreements in connection with the Offering may be released from restrictions in their respective Lock-Up Agreements, and may sell some or all of their Common Shares, prior to the expiry of the Lock-Up Period. No prediction can be made as to the effect, if any, such future sales of Common Shares will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the Locked-Up Parties, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares. See "Plan of Distribution — Lock-Up Arrangements."

Our Common Shares are subject to potential significant price volatility.

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following: (i) actual or anticipated fluctuations in our quarterly results of operations, (ii) recommendations by securities research analysts, (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to us, (iv) addition or departure of our executive officers and other key personnel, (v) release or expiration of lock-up or other transfer restrictions on Common Shares, (vi) sales or perceived sales of Common Shares, (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors, and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if our operating results or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, our operations and the trading price of the Common Shares may be materially adversely effected.

The issuance of additional Common Shares or other of our securities may have a dilutive effect on the interests of shareholders.

The number of Common Shares that we are authorized to issue is unlimited. We may, in our sole discretion, issue additional Common Shares (including pursuant to any equity-based compensation plans that may be introduced in the future) from time to time, or other securities, and the interests of Shareholders may be diluted thereby.

We have discretion in how the proceeds from the Offering will be used.

We currently intend to allocate the net proceeds received from the Offering as described under "Use of Proceeds", however, management will have discretion in the actual application of the net proceeds, and may elect to allocate the net proceeds differently from that described under "Use of Proceeds" if it believes it would be in our best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds of the Offering. The failure by management to apply these funds effectively could have a material adverse effect on our business. Additionally, we may not be successful in implementing our business strategies, and our actual capital expenditures and capital expenditure requirements may be materially different from forecasted expenditures described in this prospectus.

There is an absence of a prior public market for the Common Shares.

There is currently no public market for the Common Shares. The Offering Price of the Common Shares offered hereunder has been determined by negotiation between us, the Selling Shareholders and Canaccord. We cannot predict the price at which the Common Shares will trade upon Closing and there can be no assurance that an active trading market will develop after Closing or, if developed, that such a market will be sustained at the Offering Price. In addition, if an active public market does not develop or is not maintained, investors may have difficulty selling their Common Shares.

The Common Shares may trade at a price that is less than the initial Offering Price.

The price of the Common Shares will fluctuate with market conditions and other factors. If a holder of Common Shares sells its Common Shares, the price received may be more or less than the original investment.

Following the Closing, we will have more onerous financial reporting and other public company requirements to meet.

Upon receiving a final receipt for this prospectus, we will become subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which the Common Shares may become listed, including National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations will place significant demands on our management, administrative, operational and accounting resources. We have financial controls in place, however we may need to, among other things, establish or bolster our existing accounting systems, implement other financial and management controls, reporting systems and procedures and hire qualified accounting and finance staff. If we are unable to accomplish any such necessary objectives in a timely and effective manner, our ability to comply with our financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause us to fail to satisfy our reporting obligations or result in material misstatements in its financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely effected which could also cause investors to lose confidence in our reported financial information, which could result in a reduction in the trading price of the Common Shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

We will face additional regulatory burdens as a public company.

Prior to the Offering, we have not been subject to the continuous and timely disclosure requirements of Canadian securities laws or rules and policies of the TSX. As a result of becoming a public company, we will incur significant legal, accounting, insurance and other expenses which may negatively impact our performance and could cause our results of operations and financial condition to suffer. We expect that compliance with applicable securities laws and rules of the TSX will substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly.

We are subject to numerous tax and accounting rules that may change.

We are subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on our financial results or the manner in which we conduct our business. We have issued financial statements for the year ended October 31, 2014 in accordance with IFRS as issued by the International Accounting Standards Board.

In the future, the geographic scope of our business may expand, and such expansion will require us to comply with the tax laws and regulations of multiple jurisdictions. Requirements as to taxation vary substantially among jurisdictions. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject us to penalties and fees in the future if we were to inadvertently fail to comply. In the event we were to inadvertently fail to comply with applicable tax laws, this could have a material adverse effect on our business, results of operations, and financial condition.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Company, and Borden Ladner Gervais LLP, counsel to the Underwriters, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Income Tax Act (Canada) and the regulations thereunder (the "**Tax Act**") that are generally applicable to a holder who for the purposes of the Tax Act, and at all relevant times, is or is deemed to be a resident of Canada, acquires Common Shares pursuant to the Offering and beneficially owns Common Shares as capital property, and deals at arm's length with, and is not affiliated with, the Company, the Selling Shareholders and the Underwriters (a "**Resident Holder**"). The Common Shares will generally be considered to be capital property for this purpose unless either the Resident Holder holds (or will hold) such Common Shares in the course of carrying on a business, or the Resident Holder has acquired (or will acquire) such Common Shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. A Resident Holder whose Common Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to make (or may have already made) an irrevocable election pursuant to subsection 39(4) of the Tax Act to treat its Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder as capital property in the taxation year of the election and in all subsequent taxation years. Such Resident Holders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a non-resident of Canada for purposes of the Tax Act; (ii) that is a "financial institution" as defined in the Tax Act for purposes of the mark-to-market rules; (iii) an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that is a "specified financial institution" as defined in the Tax Act; (v) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; or (vi) that has entered or will enter into a "derivative forward agreement" (as such terms are defined in the Tax Act) with respect to the Common Shares. Any such holder should consult its own tax advisor.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency. The summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, administrative policy or assessing practice, whether by way of legislative, regulatory, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder. Accordingly, holders are urged to consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Common Shares.

Dividends on Common Shares

A Resident Holder will be required to include in computing its income for a taxation year any dividends received or deemed to be received on Common Shares. In the case of a Resident Holder who is an individual (other than certain trusts) such dividends will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations. The Company may designate all or a portion of such dividends as "eligible dividends", which will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. The Company will notify its shareholders of any such designations at the appropriate times. There may be limits on the ability of the Company to designate dividends as eligible dividends. Dividends received by a Resident Holder who is an individual (other than certain trusts) may give rise to liability for alternative minimum tax depending on the Resident Holder's circumstances.

Dividends received or deemed to be received on Common Shares by a Resident Holder that is a corporation will generally also be deductible in computing its taxable income. A Resident Holder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax at a rate of 331/3% on dividends received or deemed to be received on Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income. This tax will generally be refunded to the Resident Holder at a rate of $1.00 for every $3.00 of taxable dividends paid while it is a private corporation or a subject corporation.

Dispositions of Common Shares

A disposition, or a deemed disposition, of a Common Share (other than to the Company) by a Resident Holder will generally give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share exceed (or are less than) the total of the adjusted cost base of the Common Share to the Resident Holder and any reasonable costs of disposition. For this purpose, the adjusted cost base to a Resident Holder of a Common Share will be determined at any time by averaging the cost of such Common Share with the cost of all other Common Shares owned by the Resident Holder as capital property at that time, which cost shall include any reasonable acquisition expenses incurred by the Resident Holder.

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of any capital loss (an "allowable capital loss") it realized in the year from its taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a given year may be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any subsequent year, from net taxable capital gains realized in such years (but not against other income) to the extent and under the circumstances described in the Tax Act. If the Resident Holder is a corporation, any capital loss realized on a disposition or deemed disposition of a Common Share may in certain circumstances be reduced by the amount of any dividends which have been received or which are deemed to have been received on the Common Share. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns shares, directly or indirectly through a partnership or a trust. Taxable capital gains realized by a Resident Holder who is an individual (other than certain trusts) may give rise to alternative minimum tax depending on the Resident Holder's circumstances.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax at a rate of 6⅔% on its "aggregate investment income" (as defined in the Tax Act) for the year, including taxable capital gains from the disposition or deemed disposition of Common Shares.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, our counsel, and Borden Ladner Gervais LLP, counsel to the Underwriters, based on the current provisions of the Tax Act, provided that on the date of the Offering (i) the Common Shares are listed on a "designated stock exchange" (as defined in the Tax Act), which currently includes the TSX, or (ii) we are a "public corporation" (as defined in the Tax Act), the Common Shares will on that date be qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts ("**TFSA**"), each as defined in the Tax Act.

Notwithstanding the foregoing, if the Common Shares are a "prohibited investment" (as defined in the Tax Act) for a TFSA, RRSP or RRIF, a holder of a TFSA or an annuitant under a RRSP or RRIF, as the case may be, will be subject to a penalty tax on Common Shares and other tax consequences may result. The Common Shares will generally not be a prohibited investment provided the holder or the annuitant, as the case may be, deals at arm's length with us for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in us. In addition, a Common Share will generally not be a "prohibited investment" if the Common Share is "excluded property" (as defined in the Tax Act) for trusts governed by a TFSA, RRSP or RRIF. Holders who may wish to hold their Common Shares in a trust governed by a TFSA, RRSP or RRIF are advised to consult their own tax advisors regarding the "prohibited investment" rules having regard to their own particular circumstances.

LEGAL MATTERS

Our management is not aware of any existing or contemplated legal proceedings material to us to which we are a party or to which our property is subject.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To our knowledge, other than disclosed in this prospectus, no director, executive officer or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction within the three years prior to the date of this prospectus, or any proposed transaction, that has materially affected or will materially affect us or our Subsidiary.

Nominating Agreements

As described in "Relationships with the Selling Shareholders", at Closing, the Company will enter into the Nominating Agreements with the respective Selling Shareholders. The Nominating Agreements provide that so long as a Selling Shareholder has a 20% or greater ownership interest in the Company, the Company will include two of that Selling Shareholder's nominees for director at the Company's annual meeting, and for so long as a Selling Shareholder has a 10 to 19.99% ownership interest in the Company, the Company will include one nominee of that Selling Shareholder for election as director at the Company's annual meeting.

EXPERTS

Our annual consolidated financial statements as of October 31, 2014 and 2013 and for each of the three years in the period ended October 31, 2014 included in this prospectus have been audited by Ernst & Young LLP, an independent registered public accounting firm.

Certain legal matters relating to the Offering will be passed upon for us by Stikeman Elliott LLP, for COM DEV by Gardiner Roberts LLP and for the Underwriters by Borden Ladner Gervais LLP. The partners and associates of Stikeman Elliott LLP collectively, Gardiner Roberts LLP, collectively and Borden Ladner Gervais LLP collectively, each beneficially own, directly and indirectly, less than 1% of our outstanding Common Shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Ernst & Young LLP, located at 515 Riverbend Dr., Kitchener, Ontario, Canada N2K 3S3, is the auditor of the Company and has confirmed that it is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of the Institute of Chartered Accountants of Ontario).

The transfer agent and registrar for the Common Shares will be Computershare Investor Services Inc. at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which we have entered into during the two years before the date of this prospectus or to which we are or will become a party on or prior to the Closing:

- the Underwriting Agreement, which is described under the section of this prospectus titled "Plan of Distribution";
- the Nominating Agreements, which are described under the section of this prospectus titled "Relationships with the Selling Shareholders"; and
- the CDH Agreement, which is described under the section of this prospectus titled "Relationships with the Selling Shareholders".

Copies of the above material contracts, if not already entered into then once executed, may be inspected during ordinary office business hours at our principal executive offices located at 60 Struck Court, Cambridge, Ontario, N1R 8L2 and under our profile on the SEDAR website at www.sedar.com.

PROMOTER

COM DEV, one of the Selling Shareholders, is considered a promoter of the Company within the meaning of applicable securities legislation. As of the date of this prospectus, COM DEV, as our majority shareholder, holds 73% of the Common Shares. COM DEV may be receiving consideration pursuant to the Over-Allotment Option. See "Plan of Distribution".

If the Over-Allotment Option is exercised in full, COM DEV will own ● Common Shares, representing 39.79% (● % on a fully-diluted basis) of the issued and outstanding Common Shares after the Offering. See "Principal and Selling Shareholders".

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provide a purchaser with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

INDEX TO FINANCIAL STATEMENTS

The following financial statements of exactEarth Ltd. are included in this prospectus:

	Page
Audited consolidated financial statements for the fiscal years ended October 31, 2014 and 2013	F-3
Unaudited interim condensed consolidated financial statements for the three and six-month periods ended May 1, 2015 and May 2, 2014	F-28

INDEPENDENT AUDITORS' REPORT

To the Directors of
exactEarth Ltd.

We have audited the accompanying consolidated financial statements of **exactEarth Ltd.**, which comprise the consolidated statements of financial position as at October 31, 2014, and 2013, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended October 31, 2014, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **exactEarth Ltd.** as at October 31, 2014 and 2013, and its financial performance and its cash flows for the years ended October 31, 2014, 2013 and 2012 in accordance with International Financial Reporting Standards.

Kitchener, Canada,
● , 2015.

Chartered Professional Accountants
Licensed Public Accountants

exactEarth Ltd.

Consolidated Statements of Financial Position
(in thousands of Canadian dollars)

		As at October 31, 2014	As at October 31, 2013
		$	$
ASSETS			
Current assets			
Cash		2,403	1,615
Trade accounts receivable		2,826	2,500
Unbilled revenue	(note 16)	1,845	375
Due from related parties	(note 15)	57	23
Prepaid expenses		529	444
Total current assets		7,660	4,957
Property, plant and equipment	(notes 5 and 13)	40,858	41,624
Intangible assets	(notes 6 and 13)	14,370	12,000
Total assets		62,888	58,581
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		5,342	2,489
Due to related parties	(note 15)	58	37
Deferred revenue	(note 16)	977	367
Current portion of government loan	(note 7)	198	—
Total current liabilities		6,575	2,893
Government loan	(note 7)	1,772	1,392
Due to related parties	(notes 7 and 15)	30,009	26,186
Long-term profit sharing plan liability	(note 14)	176	—
Total liabilities		38,532	30,471
Shareholders' equity			
Share capital		55,120	55,120
Contributed surplus	(note 9)	250	249
Accumulated other comprehensive loss		(62)	(12)
Deficit		(30,952)	(27,247)
Total shareholders' equity		24,356	28,110
Total liabilities and equity		62,888	58,581

On behalf of the Board:

See accompanying notes

exactEarth Ltd.

Consolidated Statements of Comprehensive Loss

For the Years Ended October 31
(in thousands of Canadian dollars)

		2014	2013	2012
		$	$	$
Revenue	(notes 13 and 16)	15,836	11,978	9,640
Cost of revenue		7,696	6,644	7,453
Gross margin		8,140	5,334	2,187
Operating expenses				
Research and development		54	138	190
Selling, general and administrative		5,426	4,410	4,504
Product development		928	650	710
Restructuring charges		—	96	365
Depreciation and amortization		4,737	4,151	2,222
Loss from operations		(3,005)	(4,111)	(5,804)
Other (income) expense				
Other income	(note 4)	(78)	(409)	—
Other expense	(note 11)	5	51	40
Foreign exchange loss		108	3	29
Interest expense		665	357	60
Total other expense		700	2	129
Loss before income taxes		(3,705)	(4,113)	(5,933)
Income tax expense	(note 12)	—	—	—
Net loss		(3,705)	(4,113)	(5,933)
Other comprehensive loss				
Foreign currency translation adjustments		(50)	(12)	—
Total other comprehensive loss		(50)	(12)	—
Comprehensive loss		(3,755)	(4,125)	(5,933)
Loss per share				
Basic and diluted loss per share	(note 9)	(0.33)	(0.37)	(0.53)

See accompanying notes

exactEarth Ltd.

Consolidated Statements of Cash Flows

For the Years Ended October 31
(in thousands of Canadian dollars)

	2014	2013	2012
	$	$	$
Net Loss	(3,705)	(4,113)	(5,933)
Add (deduct) items not involving cash			
Imputed interest on government loan	134	46	—
Operating grant recognized on government loan	(79)	(409)	—
Amortization of issue costs	—	51	18
Depreciation and amortization	4,737	4,151	2,222
Foreign exchange loss (gain) on revaluation of US dollar shareholder loan	120	61	(47)
Stock-based compensation and long-term incentive plan expense	2	32	71
Settlement of long-term incentive plans	(1)	(23)	(93)
Loss on disposal of assets	—	(41)	—
Long-term profit sharing plan liability	176	—	—
Change in non-cash working capital balances	2,508	364	2,141
Cash generated from (used in) operations	3,892	119	(1,621)
Investing activities			
Acquisition of property, plant, and equipment	(2,412)	(3,182)	(7,233)
Acquisition of intangible assets	(3,518)	(2,729)	(924)
Cash used in investing activities	(5,930)	(5,911)	(8,157)
Financing activities			
Government loan advances	583	1,879	—
Issue costs	—	—	(69)
Shareholder loans	2,250	4,000	4,000
Cash flows generated from financing activities	2,833	5,879	3,931
Effect of exchange rate changes on cash	(7)	24	2
Net increase (decrease) in cash	788	111	(5,845)
Cash, beginning of the year	1,615	1,504	7,349
Cash, end of the year	2,403	1,615	1,504
Supplemental cash flow information			
Interest paid	802	438	106
Interest received	18	18	46
Taxes paid	—	—	—

See accompanying notes

exactEarth Ltd.

Consolidated Statements of Changes in Equity
(in thousands of Canadian dollars)

For the Year Ended October 31, 2014	Total	Deficit	Accumulated Other Comprehensive Loss	Share Capital	Contributed Surplus
	$	$	$	$	$
Balance October 31, 2013	28,110	(27,247)	(12)	55,120	249
Expense recognized for stock-based compensation and long-term incentive plans	2	—	—	—	2
Settlement of long-term incentive plans	(1)	—	—	—	(1)
Comprehensive loss	(3,755)	(3,705)	(50)	—	—
Balance October 31, 2014	24,356	(30,952)	(62)	55,120	250
For the Year Ended October 31, 2013					
Balance October 31, 2012	32,226	(23,134)	—	55,120	240
Expense recognized for stock-based compensation and long-term incentive plans	32	—	—	—	32
Settlement of long-term incentive plans	(23)	—	—	—	(23)
Comprehensive loss	(4,125)	(4,113)	(12)	—	—
Balance October 31, 2013	28,110	(27,247)	(12)	55,120	249
For the Year Ended October 31, 2012					
Balance November 1, 2011	38,181	(17,201)	—	55,120	262
Expense recognized for stock-based compensation and long-term incentive plans	71	—	—	—	71
Settlement of long-term incentive plans	(93)	—	—	—	(93)
Comprehensive loss	(5,933)	(5,933)	—	—	—
Balance October 31, 2012	32,226	(23,134)	—	55,120	240

See accompanying notes

1. DESCRIPTION OF THE BUSINESS

Founded in 2009, exactEarth™ Ltd. (the "Company" or "exactEarth™") is a provider of space-based maritime tracking data from its own satellites. exactEarth™ leverages advanced microsatellite technology to deliver monitoring solutions. The Company is jointly owned by COM DEV International Ltd. ("COM DEV") and HISDESAT Servicios Estratégicos S.A. ("Hisdesat"). The Company is incorporated under the Canada Business Corporations Act and its head office is located at 60 Struck Court, Cambridge, Ontario, Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements present the Company's results of operations and financial position as at and for the year ended October 31, 2014, including comparative periods, under International Financial Reporting Standards ("IFRS") as issued by the IASB. These consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on June 22, 2015.

b) Basis of presentation

The consolidated financial statements include the accounts of the Company's subsidiary with inter-company transactions and balances eliminated. The Company has operations in Cambridge, Ontario and Harwell, United Kingdom.

The Company's significant accounting policies are set out below. These accounting policies have been applied consistently to all periods presented in these consolidated financial statements and by all entities.

c) Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and short-term investments that mature within 90 days from the date of acquisition. Short-term investments are carried at their fair values.

d) Property, plant and equipment

Property, plant and equipment ("PP&E") are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the PP&E and borrowing costs for eligible long-term construction projects. When significant parts of PP&E are required to be replaced at intervals, the Company derecognizes the replaced part and recognizes the new part with its own associated useful life and amortization. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the PP&E as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statements of comprehensive loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold Improvements	three years
Satellites	ten years
Electrical equipment	ten years
Computer hardware	three to five years
Furniture and fixtures	three to five years

An item of PP&E and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or eventual disposition. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of comprehensive loss when the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Intangible assets

Finite life intangible assets are valued at cost less accumulated amortization, which is provided at rates sufficient to write off the costs over the estimated useful lives of the assets, using the straight-line method as follows:

Non-compete agreement	over term of agreement (three years)
Computer software not integral to the hardware on which it operates	three to ten years
Internally developed technology	five to seven years
Data rights	five to ten years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or method, as appropriate, and are treated as a change in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of comprehensive loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of comprehensive loss when the asset is derecognized.

Costs that are directly attributable to the development and testing of identifiable and unique internally developed technology controlled by the Company are recognized as intangible assets when the criteria specified in IAS 38, Intangible Assets ("IAS 38") are met. Capitalized costs include employee costs for staff directly involved in technology development and other expenditures directly related to the project.

Research and development expenditures

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset only when they have met the conditions of IAS 38. Investment tax credits ("ITCs") reduce research and development expense and/or intangible assets in the same period in which the related expenditures are charged to earnings or capitalized, provided there is reasonable assurance the benefit will be realized. Otherwise, the incentives are recorded when the benefit is expected to be realized.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of revenue. During the period of development, the asset is tested for impairment annually.

Research and development costs that are funded by the Company are presented separately on the consolidated statements of comprehensive loss. Government grants, ITCs, and other funding for research activity are presented as a reduction of the related expense.

f) Impairment of long-lived assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The Company currently is a single CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the Company does not assume substantially all of the risks and benefits of ownership of the asset are classified as operating leases. All of the Company's leases are classified as operating leases and are recognized as an expense in the consolidated statements of comprehensive loss on a straight-line basis over the lease term.

h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Borrowing costs capitalized to "Property, plant and equipment" and "Intangible assets" totaled $253 for fiscal 2014 using an average capitalization rate of 8% ($109 and 8% for fiscal 2013 and $nil for 2012). All other borrowing costs are expensed in the period they occur.

i) Income taxes

Current income taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Company operates and generates taxable income. Current income taxes related to items recognized directly in equity are recognized in equity and not in the consolidated statements of comprehensive loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred taxes are provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes are recognized for all taxable temporary differences, except in specific circumstances outlined in IAS 12, Income Taxes ("IAS 12").

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except in specific circumstances outlined in IAS 12.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that all or part of the deferred tax asset will be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable the benefit will be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Revenue, expenses and assets are recognized net of the amount of sales tax, except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of sales tax included.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Data

The majority of revenue is derived from the sale of data subscriptions. For subscription revenue, the timing of cash flows generally precedes the recognition of revenue and income any initial payments are deferred and recognized ratably as data is delivered over the subscription period.

Revenue is recognized upon delivery for non-subscription data sales.

Provision of Products and Services

The Company occasionally provides goods and services to its customers under long-term contracts. The Company recognizes revenue on long-term contracts on the percentage of completion basis, based on costs incurred relative to the estimated total contract costs. Losses on such contracts are accrued when the estimate of total costs indicates that a loss will be realized. Accruals are drawn down as loss contracts progress. Contract billings received in excess of recognized revenue are included in current liabilities.

k) Foreign currency translation

A functional currency is the currency of the primary economic environment in which the reporting entity operates and is normally the currency in which the entity generates and expends cash. Each entity in the Company determines its own functional currency. Each entity's financial statements are translated from their functional currency to Canadian dollars, which is the presentation currency of these consolidated financial statements.

Transactions

Foreign currency transactions are initially recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange spot rate at the reporting date. All differences are recorded in the consolidated statements of comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

Translation

The assets and liabilities of foreign operations are translated into Canadian dollars at year-end exchange rates and their revenue and expense items are translated at exchange rates prevailing at the date of the transactions. The resulting exchange differences are recognized in "Other comprehensive loss". On disposal of a foreign operation, the foreign exchange in "Accumulated other comprehensive loss" relating to that particular foreign operation is recognized in income in the consolidated statements of comprehensive loss.

l) Financial instruments

Financial assets

Financial assets within the scope of IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"), are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus directly attributable transaction costs. The Company's financial assets include cash and cash equivalents and accounts receivable.

Trade receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are non-interest bearing and are generally on 30-90 day payment terms. Any impairment of trade receivables is recorded through "Selling, general and administrative expenses" in the consolidated statements of comprehensive loss.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired and the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Company has transferred substantially all the risks and rewards of ownership of the asset or the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

The Company's financial liabilities include accounts payable and accrued liabilities, long-term debt, and amounts due to related parties.

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of comprehensive loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term debt

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statements of comprehensive loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive loss.

m) Government assistance

Government assistance is periodically received in the form of grants, loans or ITCs (see "Research and development expenditures") that may be repayable in the form of royalties based on future sales levels related to the technology funded. Amounts that are repayable will be accounted for in the period in which conditions arise that will cause repayment. Government assistance with predetermined repayment requirements or conditional criteria is recorded as a liability when received or until the conditions are satisfied. If no predetermined repayment requirements exist, the assistance is treated as a reduction in the cost of the related item.

Interest free government loans are measured at amortized cost using the effective interest rate method. The interest rate used is based on the market rate for a comparable instrument with a similar term. The difference between the fair value at inception and the loan proceeds received is recorded as a government grant. The grant portion is split between operating costs and capital costs based on the costs to which the loan relates. The grant related to capital is recognized as a reduction to the carrying amount of an eligible asset and is realized over the life of the asset as reduced amortization expense. The grant related to operating expense is recognized in "Other income".

n) Stock-Based Compensation, Employee Share Ownership Plan ("ESOP") and Long-Term Incentive Plan ("LTIP")

Stock options

The President of the Company, who was a past employee of COM DEV, received compensation in the form of options for COM DEV's stock prior to starting employment at the Company. IFRS 2, Share-based Payment, requires that the Company record these amounts as "Contributed surplus" from COM DEV. COM DEV only grants stock options with an exercise price equal to the market value of the underlying stock on the date of grant. COM DEV employs a fair value method of accounting for all options granted to employees or directors. The fair value of the direct grants of stock is determined by the quoted market price of COM DEV's stock at the time of the award and the fair value of stock options is determined using the Black Scholes option pricing model. The fair value of awards at the date of grant to the President of the Company is recorded as an expense in these consolidated financial statements. The expense recorded represents the proportionate amount of the total fair value from the date he joined the Company and is recognized over the vesting period based on the number of options expected to vest. When options are exercised, they are settled with COM DEV shares. COM DEV is not expected to provide any future stock options to the Company's employees.

Restricted share unit and performance share unit plans

Certain employees of the Company received LTIP from COM DEV while the Company transitioned into an entity separate from COM DEV. Under the terms of this plan, participants are eligible to receive incentive remuneration in the form of Restricted Share Units ("RSUs") and/or Performance Share Units ("PSUs"). RSUs are time based and will vest automatically (cliff vest) three years after the grant date. Each RSU, once vested, entitles the holder to receive one common share of COM DEV. The value of the RSUs is based on the fair market value of COM DEV's shares on the day of the grant and accounted for as an equity-settled instrument. The estimated fair value of the RSUs is recorded as expense and contributed surplus over the vesting period.

The value of the PSUs is based on the fair market value of the shares on the day of the grant and is accounted for as an equity-settled instrument. The vesting term of the PSUs is three years commencing on the date of the grant, and incorporates

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

performance-vesting features based upon achieving certain return on net assets targets established for COM DEV over the vesting period. Each PSU, once vested, entitles the holder to receive one common share of COM DEV. COM DEV intends to buy common shares on the open market to satisfy obligations under the PSU plan, but has the option to satisfy obligations in cash. The estimated fair value of the PSUs that are expected to achieve the performance targets is recorded as expense and contributed surplus over the vesting period. If, in the future, the performance criteria are expected to not be met, then the change is treated as a change in estimate, and the cumulative effect of the change will be adjusted through income in the period.

o) Employee future benefit plans

Defined contribution pension plan

The Company sponsors a defined contribution pension plan for certain of its employees. The cost of providing benefits through the defined contribution pension plan is charged to income in the period in which the contributions become payable.

Long-term Profit Sharing Plan

For certain employees, the Company provides a share in the growth of net income over a three-year period. The liability is calculated using forecasted net income from the applicable periods in excess of a minimum net income at the date of the award and then discounted using the market yields at the end of the reporting period on high quality corporate bonds. The expense is recognized on a straight-line basis over the vesting period of three years.

p) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of comprehensive loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

q) Critical judgments and estimates

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the disclosure of contingent assets and liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The following are the critical judgments, estimates and assumptions that have been made in applying the Company's accounting policies and that have the most significant effect on the amounts in the consolidated financial statements:

Capitalization of development costs

When capitalizing development costs, the Company must assess the technical and commercial feasibility of the projects and estimate the useful lives of resulting products. Determining whether future economic benefits will flow from the assets and, therefore, the estimates and assumptions associated with these calculations are instrumental in: (i) deciding whether project costs can be capitalized, and (ii) accurately calculating the useful life of the projects for the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairments

The recoverable amount of intangible assets and PP&E is based on estimates and assumptions regarding the expected market outlook and cash flows.

Revenue recognition and contracts in progress

Revenue on construction contracts is recognized on a percentage-of-completion basis. In applying the accounting policy on construction contracts, judgment is required in determining the estimated costs to complete a contract. These cost estimates are reviewed at each reporting period and by their nature may give rise to income volatility.

Income (loss) on completion of contracts accounted for under the percentage-of-completion method

To estimate income (loss) on completion, the Company takes into account factors inherent to the contract by using historical and/or forecast data. When total contract costs are likely to exceed total contract revenue, the expected loss is recognized immediately and recorded in "Accounts payable and accrued liabilities" in the consolidated statements of financial position. The accrual is drawn down over the completion of the contract using the percentage-of-completion method.

3. FUTURE ACCOUNTING CHANGES

Standards issued but not yet effective or amended up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective.

International Financial Reporting Standard 9, Financial instruments: classification and measurement

As issued initially, International Financial Reporting Standard 9, Financial instruments: classification and measurement ("IFRS 9"), reflects the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. On November 19, 2013, the IASB published IFRS 9, Hedge Accounting, which is a part of the third phase of its replacement of IAS 39. The new requirements allow entities to better reflect their risk management activities in the financial statements. As part of the amendments, entities may change the accounting for liabilities that they have elected to measure at fair value before applying any of the requirements in IFRS 9. This change in accounting would mean that gains caused by a worsening in an entity's own credit risk on such liabilities would no longer be recognized in profit or loss. Because the second phase of the project related to impairment is not yet completed, the IASB decided that a mandatory effective date of January 1, 2015 would not allow sufficient time for entities to prepare to apply IFRS 9. Accordingly, the IASB determined to apply a later mandatory effective date, which will be determined when IFRS 9 is closer to completion. However, entities may still choose to apply IFRS 9 immediately. IFRS 9 must be applied retrospectively; however, hedge accounting is to be applied prospectively (with some exceptions). The amendment becomes effective for the Company on November 1, 2018. The Company is currently assessing the impact of adopting this new standard.

International Accounting Standard 32, Financial instruments: presentation

In December 2011, International Accounting Standard 32, Financial Instruments: Presentation ("IAS 32") was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future event. The Company does not anticipate any material impact from the adoption of this standard on the consolidated statements of comprehensive loss or the consolidated statements of financial position of the Company. The amendment becomes effective for the Company on November 1, 2014.

IFRS Interpretations Committee ("IFRIC") 21, Levies

In May 2013, the IFRIC, with the approval by the IASB, issued IFRIC 21 — Levies. IFRIC 21 provides guidance on when to recognize a liability to pay a levy imposed by government that is accounted for in accordance with IAS 37 — Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 is currently effective for annual periods beginning on or after January 1, 2014, and is to be applied retrospectively. The Company is currently assessing the impact of adopting this interpretation on its consolidated financial statements.

(in thousands of Canadian dollars, except for per share figures)

3. FUTURE ACCOUNTING CHANGES (Continued)

International Accounting Standard 36, Impairment of Assets

International Accounting Standard 36, Impairment of Assets ("IAS 36"), was amended in 2013 to address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs to sell. Specifically, for any material impairment losses recognized or reversed during the reporting period, this amendment requires an entity to disclose the recoverable amount of the cash generating unit ("CGU") and when the recoverable amount has been based on fair value less costs to sell, the entity must disclosure the level of the IFRS 13 'fair value hierarchy' within which the fair value measurement of the asset or CGU has been determined. For all measurements at Level 2 or Level 3 of the fair value hierarchy, the entity must disclose the valuation technique used as well as any changes in that valuation technique and key assumptions used in the measurement of fair value including the discount rates used if a present value technique is applied. The amendments are effective for annual periods beginning on or after January 1, 2014. The Company is currently assessing the impact of adopting this interpretation on its consolidated financial statements.

International Financial Reporting Standard 15, Revenue from Contracts with Customers

In May 2014, the IASB issued International Financial Reporting Standard 15, Revenue from Contracts with Customers ("IFRS 15"), which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of adopting this new standard.

4. GOVERNMENT ASSISTANCE

Government grants

On November 16, 2012, exactEarth™ signed an interest-free loan agreement with the Federal Development Agency for Southern Ontario ("FED DEV"). Under this agreement, exactEarth™ is eligible to receive interest-free repayable funding for certain expenditures incurred from May 6, 2011 to March 31, 2014 to a maximum of $2,491. The interest-free loan is repayable in 60 equal consecutive monthly instalments beginning April 1, 2015. Funding requests are provided to FED DEV on a quarterly basis based on actual eligible expenditures incurred.

The FED DEV interest-free loan is measured at amortized cost, using the effective interest rate method at a rate of 8%. An interest rate of 8% was used based on the market interest rate for a comparable instrument with a similar term. The difference between the fair value at inception and the loan proceeds received is recorded as a government grant, which is recognized as an operating grant and a capital grant based on the relative proportion of eligible expenditures incurred. The operating grant is recorded as "Other income" in the consolidated statements of comprehensive loss and the capital grant is recorded as a reduction in the cost of the related asset and amortized to income over the life of the asset.

During the year ended October 31, 2014, exactEarth™ recognized $410 (2013 — $2,052, 2012 — $nil) relating to the FED DEV arrangement, of which $nil (2013 — $173, 2012 — $nil) was reflected as a loan receivable as at October 31, 2014. The amounts recognized in respect of the FED DEV arrangement for the years ended October 31, 2014, 2013 and 2012 and the impacts to the consolidated statements of comprehensive loss are as follows:

	2014	2013	2012
Loan amounts recognized during the year	$ 410	$2,052	$ —
Recognized at inception as follows:			
Loan payable	$ 318	$1,346	$ —
Accounts Payable	—	125	—
Operating grant	78	409	—
Capital grant	14	172	—
	$ 410	$2,052	$ —
	2014	**2013**	**2012**
Recognized in the consolidated statements of comprehensive loss as follows:			
Interest expense	$ 134	$ 46	$ —
Other income — operating grant	(78)	(409)	—
Cost of revenue — amortization of capital grant	(31)	(15)	—
Net impact	$ 25	$ (378)	$ —

(in thousands of Canadian dollars, except for per share figures)

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are comprised of the following:

Cost	Leasehold improvements	Satellites	Electrical equipment	Computer hardware	Furniture and fixtures	Total
October 31, 2012	41	38,461	1,133	2,203	94	41,932
Additions	5	3,716	916	22	12	4,671
Disposals	—	—	(33)	(8)	—	(41)
October 31, 2013	46	42,177	2,016	2,217	106	46,562
Additions	—	1,813	515	466	—	2,794
Translation adjustment	—	—	32	—	—	32
October 31, 2014	46	43,990	2,563	2,683	106	49,388

Accumulated depreciation	Leasehold improvements	Satellites	Electrical equipment	Computer hardware	Furniture and fixtures	Total
October 31, 2012	25	832	145	758	63	1,823
Depreciation expense	9	2,382	205	505	23	3,124
Disposals	—	—	(6)	(3)	—	(9)
October 31, 2013	34	3,214	344	1,260	86	4,938
Depreciation expense	9	2,834	271	465	12	3,591
Translation adjustment	—	—	1	—	—	1
October 31, 2014	43	6,048	616	1,725	98	8,530

Net book value	Leasehold improvements	Satellites	Electrical equipment	Computer hardware	Furniture and fixtures	Total
October 31, 2013	12	38,963	1,672	957	20	41,624
October 31, 2014	3	37,942	1,947	958	8	40,858

Included in PP&E as at October 31, 2014 is $14,233 (2013 — $17,050) of satellite and electrical equipment that has not yet commenced being depreciated as the assets are under construction and not yet ready for use.

Borrowing costs capitalized for inclusion in the cost of certain assets were $17 (2013 — $15).

6. INTANGIBLE ASSETS

Intangible assets are comprised of the following:

Cost	Non-compete agreement	Computer software	Internally developed technology	Data rights	Total
October 31, 2012	408	2,748	8,655	74	11,885
Additions	—	381	—	2,276	2,657
Transfers	—	16	(16)	—	—
October 31, 2013	408	3,144	8,639	2,350	14,541
Additions	—	258	—	3,259	3,517
Transfers	—	2	(2)	—	—
October 31, 2014	408	3,404	8,637	5,609	18,058

(in thousands of Canadian dollars, except for per share figures)

6. INTANGIBLE ASSETS (Continued)

Accumulated amortization	Non-compete agreement	Computer software	Internally developed technology	Data rights	Total
October 31, 2012	272	670	572	—	1,514
Amortization expense	136	562	329	—	1,027
October 31, 2013	408	1,232	901	—	2,541
Amortization expense	—	567	580	—	1,147
October 31, 2014	408	1,799	1,481	—	3,688

Net book value	Non-compete agreement	Computer software	Internally developed technology	Data rights	Total
October 31, 2013	—	1,912	7,738	2,350	12,000
October 31, 2014	—	1,605	7,156	5,609	14,370

Included in intangible assets is computer software of $nil (2013 — $2,987), and data rights of $5,609 (2013 — $2,350) that have not yet commenced being amortized as they are still under development and not yet ready for use.

Borrowing costs capitalized for inclusion in the cost of certain assets were $236 (2013 — $94).

Significant individual assets included in the amounts above as at October 31, 2014 are as follows:

Description	Category	Carrying Amount	Remaining Amortization Period (Months)
Decollision software	Internally Developed Technology	$4,330	159
Alora ground control software	Internally Developed Technology	2,429	77
Class B detection technology	Internally Developed Technology	397	78
EV9 data license	Data Rights	3,423	120
Data license	Data Rights	2,185	120

7. LOANS PAYABLE, FINANCIAL INSTRUMENTS AND FOREIGN EXCHANGE

a) LOANS PAYABLE

Loans payable are comprised as follows:

	October 31, 2014	October 31, 2013
COM DEV loan (i)	$ 7,616	$5,854
Hisdesat loan (ii)	2,768	2,160
FED DEV (note 4)	1,970	1,392
	$12,354	$9,406
Less: current portion of loans payable	198	—
Long-term loans payable	$12,156	$9,406

(in thousands of Canadian dollars, except for per share figures)

7. LOANS PAYABLE, FINANCIAL INSTRUMENTS AND FOREIGN EXCHANGE (Continued)

Principal repayments are due as follows:

For the years ending	
2015	$198
2016	362
2017	391
2018	423
2019	457
2020	201

i) On July 30, 2012, COM DEV, the majority interest investor in the Company, made available a revolving credit facility of up to $12,410. The outstanding balance net of issue costs is $7,616 (2013 — $5,854), of which $1,593 is the Canadian dollar equivalent of a $1,414 USD denominated draw on the facility (2013 — $1,474) while the rest of the borrowings are in Canadian dollars. The facility shall fall due on the anniversary date, and may be renewed for successive one-year periods at the option of the lender. The lender has formally agreed to waive its right to demand repayment of the principal owing until August 1, 2016. The Company may make principal repayments at any time and from time to time without notice, bonus or penalty. Interest accrues at the rate of 8% per annum, and is calculated and accrued monthly, with the monthly payment due on the first day of the next month.

This facility is provided subject to certain covenants. The collateral for this arrangement includes a general security agreement on the PP&E of the Company. The security is subject to certain permitted liens, existing indebtedness, and existing security documents.

The Company has made interest payments totalling $587 in 2014 (2013 — $320, 2012 — $84) and has not made any principal payments.

ii) On July 30, 2012, Hisdesat, the minority interest investor in the Company, made available a revolving credit facility of up to $4,590. The outstanding balance net of issue costs as at October 31, 2014 is $2,768 (2013 — $2,160). The facility shall fall due on the anniversary date, and may be renewed for successive one-year periods at the option of the lender. The lender has formally agreed to waive its right to demand repayment of the principal owing until August 1, 2016. The Company may make principal repayments at any time and from time to time without notice, bonus or penalty. Interest accrues at the rate of 8% per annum, and is calculated and accrued monthly, with the monthly payment due on the first day of the next month.

This facility is provided subject to certain covenants. The collateral for this arrangement includes a general security agreement on the PP&E of the Company. The security is subject to certain permitted liens, existing indebtedness, and existing security documents.

The Company has made interest payments totalling $215 in 2014 (2013 — $118, 2012 — $22) and has not made any principal payments.

b) FINANCIAL INSTRUMENTS — RISK MANAGEMENT OBJECTIVES

Fair values

For the Company's cash and cash equivalents, accounts receivables and accounts payable and accrued liabilities, the fair values approximate their respective carrying amounts due to their short-term maturities. The FED DEV loan, included in loans payable, has a carrying value as at October 31, 2014 of $1,970 (2013 — $1,3921) which approximates the fair value as the loan was recorded at fair value when the cash was received and the Company's borrowing rate has not changed. The fair value of the FED DEV loan was calculated using discounted cash flows with a discount rate of 8% indicative of the Company's borrowing rate. The carrying value of the COM DEV and Hisdesat loans approximate fair value as they are renewed annually and the Company's borrowing rate has not changed since the funds were received.

As at October 31, 2014, approximately 42% of cash and cash equivalents, 25% of accounts receivables, and 5% of accounts payable and accrued liabilities are denominated in foreign currencies (2013 — 40%, 35%, and 6%, respectively). These foreign currencies include the USD, the British pound, and the euro.

(in thousands of Canadian dollars, except for per share figures)

7. LOANS PAYABLE, FINANCIAL INSTRUMENTS AND FOREIGN EXCHANGE (Continued)

The Company is exposed to foreign exchange risk on the following cash, accounts receivable, and accounts payable denominated in foreign currencies:

Currency	Cash	Accounts receivable	Accounts payable
USD	$483	$258	$—
GBP	£100	£ 89	£ 58
EUR	€202	€155	€—

Fair value hierarchy

The Company categorizes financial assets and liabilities recorded at fair value in the consolidated statements of financial position based on a fair value hierarchy. Fair values of assets and liabilities included in Level I are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level II include valuations using inputs other than the quoted prices for which all significant inputs are based on observable market data, either directly or indirectly. Level III valuations are based on inputs that are not based on observable market data. The fair value of the FED DEV, COM DEV and Hisdesat loans is considered to be a Level II measurement.

Foreign currency risk

Transaction exposure

The Company is exposed to foreign exchange risk as a result of transactions in currencies other than its functional currency, the Canadian dollar. The majority of the Company's revenue is transacted in Canadian dollars. Portions of the revenue are denominated in US dollars, British pounds and euros. Purchases, consisting primarily of the majority of salaries, certain operating costs, and manufacturing overhead, are incurred primarily in Canadian dollars.

Translation exposure

The Company's foreign operation is exactEarth Europe. The assets and liabilities of the foreign operations are translated into Canadian dollars using the exchange rates in effect at the dates of the consolidated statements of financial position. Unrealized translation gains and losses are recognized in "Other comprehensive loss". The accumulated currency translation adjustments are recognized in income when there is a reduction in the net investment in the foreign operations.

Foreign currency risks arising from translation of assets and liabilities of foreign operations into the Company's functional currency are generally not hedged.

The majority of the Company's foreign exchange risk resides with USD, euro and British pound transactions. To evaluate the sensitivity of net income to a reasonably possible change in the USD, euro and British pound exchange rates, various exchange rates were entered into models which considered the valuation impact to customer contracts, cash balances and foreign currency denominated monetary balance sheet items.

For the Year Ended October 31, 2014

Currency	Change in Exchange Rate vs CAD	Increase (Decrease) in Net Income
USD	+4%	$ (40)
	−4%	$ 40
EUR	+5%	$ 100
	−5%	$(100)
GBP	+6%	$ 159
	−6%	$(159)

(in thousands of Canadian dollars, except for per share figures)

7. LOANS PAYABLE, FINANCIAL INSTRUMENTS AND FOREIGN EXCHANGE (Continued)

For the Year Ended October 31, 2013

Currency	Change in Exchange Rate vs CAD	Increase (Decrease) in Net Income
USD	+4%	$(10)
	−4%	$ 10
EUR	+5%	$ 47
	−5%	$(47)
GBP	+6%	$ (4)
	−6%	$ 4

For the Year Ended October 31, 2012

Currency	Change in Exchange Rate vs CAD	Increase (Decrease) in Net Income
USD	+4%	$ (26)
	−4%	$ 26
EUR	+3%	$ 23
	−3%	$ (23)
GBP	+8%	$(129)
	−8%	$ 129

Interest rate risk

The Company's risk exposure to market interest rates relates primarily to new financing or renewals of existing financing arrangements as both the COM DEV and Hisdesat loans are fixed rate arrangements. The Company's policy is to review its borrowing requirements on a continual basis and to enter into fixed or variable interest rate borrowing arrangements as required.

Credit risk

The maximum exposure to credit risk at the consolidated statements of financial position dates is best represented by the carrying amount of the Company's accounts. The Company is exposed to credit risk from the potential default by counterparties that carry the Company's cash and cash equivalents, and attempts to mitigate this risk by dealing only with large financial institutions with good credit ratings. All of the financial institutions the Company transacts with meet these qualifications.

Credit risk also arises from the inability of customers to discharge their obligation to the Company. If one or more customers were to delay, reduce or cancel orders, the overall orders of the Company may fluctuate and could adversely affect the Company's operations and financial condition. The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit history of each new customer. Trade receivables are non-interest bearing and are generally on 30-60 day payment terms. Three customers comprise 68% of accounts receivable as at October 31, 2014 (2013 — 61%).

The Company has reviewed its outstanding trade receivables in detail and has determined that the aging profiles are within historical expectations. The accounts receivable balance outstanding greater than 60 days past due as at October 31, 2014 is $416 (2013 — $457).

The carrying amount of accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statements of comprehensive loss within "Selling, general and administrative" expenses. When a receivable balance is considered uncollectable, it is written off against the allowance for accounts receivable. Subsequent recoveries of amounts previously written off are credited against "Selling, general and administrative" expenses.

(in thousands of Canadian dollars, except for per share figures)

7. LOANS PAYABLE, FINANCIAL INSTRUMENTS AND FOREIGN EXCHANGE (Continued)

Liquidity risk

Liquidity risk is the Company's ability to meet its financial obligations when they come due. The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of its financial assets (e.g. accounts receivable, other financial assets), liabilities (e.g. payables, loans), and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through borrowing facilities available through the Company's bank, term loan facility and purchase contracts. The Company's policy is to ensure adequate funding is available from operations, established lending facilities and other sources as required.

The tables below summarize the maturity profile of the Company's financial liabilities based on contractual discounted payments.

As at October 31, 2014	On Demand	< 3 Months	3 to 12 Months	1 to 5 Years	Total
Due to related parties	58	208	623	30,009	30,898
Government loan	—	—	287	2,175	2,462
Accounts payable and accrued liabilities	—	4,215	1,127	—	5,342
Long-term profit sharing plan	—	—	—	183	183
Total	58	4,423	2,037	32,367	38,885

As at October 31, 2013	On Demand	< 3 Months	3 to 12 Months	1 to 5 Years	Total
Due to related parties	37	160	481	26,186	26,864
Government loan	—	—	—	1,879	1,879
Accounts payable and accrued liabilities	—	2,489	—	—	2,489
Total	37	2,649	481	28,065	31,232

8. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are:

- to ensure that it maintains strong credit ratings and exceeds its borrowing covenants in order to support its business and maximize shareholder value; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk undertaken.

The Company monitors capital on a basis consistent with others in the industry based on total debt to shareholders' equity. Capital is defined as shareholders' equity as presented in the consolidated statements of financial position, excluding "Accumulated other comprehensive loss", and total debt is defined as the sum of short-term and long-term interest-bearing debt. The Company uses the percentage of total debt to total capital to monitor the capitalization of the Company. The Company is not subject to any capital requirements imposed by a regulator.

9. SHARE CAPITAL

Issued capital

The Company has authorized an unlimited number of preferred shares of which there are none outstanding. The Company has authorized an unlimited number of common shares with no par value. For the years ended October 31, 2014, 2013 and 2012, the issued and outstanding shares are 11,111,111.

(in thousands of Canadian dollars, except for per share figures)

9. SHARE CAPITAL (Continued)

Earnings per share

	2014	2013	2012
Numerator for basic and diluted earnings per share available to common shareholders:			
Net loss attributable to common shareholders	$ 3,705	$ 4,113	$ 5,933
Denominator for basic earnings per share — weighted average number of shares outstanding	11,111,111	11,111,111	11,111,111
Basic and diluted loss per share	$ 0.33	$ 0.37	$ 0.53

There are no dilutive instruments outstanding.

Stock-based compensation

COM DEV employs a fair value based method of accounting for all options issued to employees or directors. The Company recognizes compensation cost for all stock options granted to employees under the COM DEV stock option plan. The option exercise price is the market value of the Company's common shares at the date of the grant. During the year ended October 31, 2014, COM DEV granted nil (2013 — nil, 2012 — nil) stock options to the Company's employees.

Options granted vest on a graded basis, ⅓ per year over three years, and vested options can be exercised over a five-year period from the date of issue.

The fair value of options issued was estimated at the date of grant using the Black-Scholes option pricing model. In determining the fair value of options, COM DEV uses historical volatility, calculated using daily stock prices for the period that corresponds to the expected life of the options. The estimated fair value of the options is amortized to expense over the vesting period of the options. For the year ended October 31, 2014, compensation expense of $nil (2013 — $2, 2012 — $6) was recognized. This amount was added to contributed surplus.

A summary of option activity for the years ended October 31 is as follows:

	2014		2013		2012	
	Number	Exercise price	Number	Exercise price	Number	Exercise price
Opening balance as at October 31	30,264	$1.89	30,264	$1.89	30,264	$1.89
Granted	—	—	—	—	—	—
Exercised	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Ending balance as at October 31	30,264	$1.89	30,264	$1.89	30,264	$1.89

A summary of options outstanding and vested for the years ended October 31 is as follows:

Exercise price	Number outstanding and vested as at October 31, 2014	Remaining contractual life in years	Number outstanding and vested as at October 31, 2013	Remaining contractual life in years	Number outstanding and vested as at October 31, 2012	Remaining contractual life in years
$1.89	30,264	0.67	30,264	1.67	21,185	2.67

All outstanding vested options can be exercised prior to their expiry date any time there is an open trading window for COM DEV shares.

(in thousands of Canadian dollars, except for per share figures)

9. SHARE CAPITAL (Continued)

Long term incentive plans

The following details the RSUs and PSUs for the years ended October 31:

	2014		2013		2012	
	RSU	PSU	RSU	PSU	RSU	PSU
Opening balance as at October 31,	12,438	2,739	53,838	69,117	95,524	75,597
Granted	—	—	—	—	—	—
Settled	(12,438)	(2,055)	(40,143)	(46,671)	(36,678)	(2,779)
Forfeited	—	(684)	(1,257)	(19,707)	(5,008)	(3,701)
Ending balance as at October 31,	—	—	12,438	2,739	53,838	69,117

For the year ended October 31, 2014, compensation expense of $2 (2013 — $30, 2012 — $65) was recognized.

10. COMMITMENTS AND CONTINGENCIES

General

The preparation of these consolidated financial statements requires management's best estimate related to events whose outcome will not be fully resolved until future periods.

Lease commitments

The Company has commitments under lease agreements for facilities totalling $22, all of which is due within the next year.

Capital commitments

As at October 31, 2014, capital commitments in respect of the purchase of PP&E were $8,684. There were no other material capital commitments outstanding as at October 31, 2014.

Claims or legal actions

The Company does not have any outstanding claims or legal actions.

11. OTHER EXPENSE

	2014	2013	2012
Amortization of deferred financing expense	$—	$51	$18
Other	5	—	22
Total other expense	$ 5	$51	$40

(in thousands of Canadian dollars, except for per share figures)

12. INCOME TAXES

The following are the major components of income tax expense (recovery) for the years ended October 31:

	2014	2013	2012
Current income tax expense	$—	$—	$ —
Deferred tax expense:			
Origination and reversal of temporary differences	$(809)	$(972)	$(1,481)
Losses not recognized	809	972	1,481
Deferred income tax expense	$—	$—	$ —
Total income tax expense	$—	$—	$ —

The Company's consolidated effective tax rate for the year ended October 31, 2014 was nil% (2013 — nil%, 2012 — nil%). The difference in the effective tax rates compared to the Company's statutory income tax rates were mainly caused by the following:

	2014	2013	2012
Income before income taxes	$(3,705)	$(4,113)	$ (5,933)
Statutory tax rate	26.5%	26.5%	26.75%
Income taxes based on the statutory income tax rate	$ (982)	$(1,090)	$ (1,587)
Losses not recognized	828	972	1,481
Permanent differences and other	101	100	104
Difference between statutory rate and individual entity rates	53	18	2
Income tax expense	$ —	$ —	$ —

The Canadian statutory tax rate during fiscal 2014 was 26.5% (2013 — 26.5%, 2012 — 26.75%).

Components of deferred tax movement are as follows for the years ended October 31:

	2014	2013	2012
Taxable temporary differences	$ 11	$(105)	$ (36)
Property, plant and equipment and intangible assets	(1,065)	(483)	(710)
Non-capital losses	1,054	588	746
Total change in deferred taxes	$ —	$—	$—

The deferred income tax recognized in the consolidated statements of financial position is comprised of the following:

	October 31, 2014	October 31, 2013	October 31, 2012
Taxable temporary differences	$ (130)	$ (141)	$ (36)
Property, plant and equipment and intangible assets	(2,596)	(1,531)	(1,048)
Non-capital losses	2,726	1,672	1,084
Deferred income taxes	$ —	$ —	$ —

For the purposes of the above table, deferred income tax assets are shown net of deferred income tax liabilities where these occur in the same entity and jurisdiction.

(in thousands of Canadian dollars, except for per share figures)

12. INCOME TAXES (Continued)

Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following:

	2014	2013	2012
Canadian deductible temporary differences	$ 472	$ 382	$ 730
Scientific Research & Experimental Development (“SRED”) pool	2,535	2,200	1,909
Canadian non-capital tax losses	24,224	22,616	19,407
UK non-capital losses	1,855	628	94

These unused Canadian tax losses expire from 2029 through 2034. The UK non-capital losses have an unlimited carryforward period. The SRED pool does not expire.

Unrecorded ITCs are as follows:

	2014	2013	2012
Federal	$624	$597	$491
Ontario	$149	$141	$116

13. SEGMENT AND GEOGRAPHIC INFORMATION

The Company has one reportable business segment, which is engaged in the sale of space-based maritime tracking data and related products and services from its own satellites.

Revenue by product type

Revenue is divided into three categories based on the types of products sold. Subscription Services are recognized over the life of the contract term, Data Products are sold on-demand and recognized on delivery, and Other Products and Services include various other revenue streams and are recognized based on the contract terms.

For the years ended October 31:

	2014	2013	2012
Subscription Services	$12,667	$10,570	$8,347
Data Products	1,492	507	130
Other Products & Services	1,677	901	1,163
	$15,836	$11,978	$9,640

Geographic information

Revenue by customer is based on where the customer is located.

For the years ended October 31:

	2014	2013	2012
Canada	$ 6,736	$ 5,355	$5,300
United States	1,238	692	382
Europe	4,758	3,011	1,431
Other	3,104	2,920	2,527
	$15,836	$11,978	$9,640

(in thousands of Canadian dollars, except for per share figures)

13. SEGMENT AND GEOGRAPHIC INFORMATION (Continued)

Three customers comprise 60% of revenue for the year ended October 31, 2014 (2013 — two customers comprised 54%, 2012 — two customers comprised 65%).

PP&E is attributed to the country in which it is located or, for spaced-based assets, the country in which it is owned. Intangible assets are attributed to the country where ownership of the asset resides.

	October 31, 2014	October 31, 2013
Property, Plant & Equipment		
Canada	$40,400	$41,218
United Kingdom	458	406
	$40,858	$41,624
Intangible Assets		
Canada	$14,370	$12,000
United Kingdom	—	—
	$14,370	$12,000

14. EMPLOYEE BENEFITS

Defined contribution pension plan

The Company has a defined contribution pension plan for its employees. During the year ended October 31, 2014, the Company's contributions, which are based on the contributions by employees, were $196 (2013 — $151, 2012 — $116) and are included in "Selling, general and administrative" expenses in the consolidated statements of comprehensive loss.

Long-term Profit Sharing Plan

The Company has a long-term profit sharing plan for certain of its employees. During the year ended October 31, 2014, the expenses recognized based on the forecasted net income were $176 in 2014 (2013 — $nil, 2012 — $nil).

Salaries and Benefits

Total salaries and employee benefit expense was $7,339 for 2014 (2013 — $6,258, 2012 — $5,426).

15. RELATED PARTIES

Compensation of key management personnel

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, including members of the Board of Directors, executive officers and vice presidents. The compensation expense for key management personnel is as follows:

	2014	2013	2012
Short-term salary and benefits	$1,778	$2,074	$1,749
Post-employment benefits	33	35	24
Stock-based compensation expense and long-term incentive plans	110	25	65
	$1,921	$2,134	$1,838

Short-term salary and benefits include expenses for base salaries, bonuses and other short-term benefit expenses. Post-employment benefits are the Company's defined contribution pension plan. Long-term benefits include the Company's long-term profit sharing plan.

(in thousands of Canadian dollars, except for per share figures)

15. RELATED PARTIES (Continued)

Related parties

The transactions and balances between the Company and COM DEV (and its subsidiaries) are as follows:

	2014	2013	2012
Purchase of services	$ 689	$ 725	$ 1,432
Purchase of property, plant and equipment	6,248	1,177	8,207
Rent	71	71	71
Interest paid to COM DEV	587	320	84
Revenue from COM DEV	924	533	362
Accounts payable	19,683	18,209	16,186
Outstanding term loan	7,616	5,854	2,836
Accounts receivable	57	23	—

The accounts payable to COM DEV include $58 (2013 — $37) classified as current and $19,625 (2013 — $18,172) classified as long-term. COM DEV has formally agreed to waive its right to demand repayment of the portion of accounts payable classified as long-term until August 1, 2016.

The transactions and balances between the Company and Hisdesat are as follows:

	2014	2013	2012
Interest paid to Hisdesat	$ 215	$ 118	$ 22
Revenue from Hisdesat	236	145	—
Outstanding term loan	2,768	2,160	1,066

16. CONSTRUCTION CONTRACT REVENUE

	2014	2013	2012
Percentage of completion revenue contracts			
Costs incurred	$ 692	$ 187	$ 481
Estimated earnings	1,375	489	357
Progress billings	(769)	(424)	(561)
Total contracts in progress	$1,298	$ 252	$ 277
Disclosed as:			
Unbilled revenue	$1,549	$ 252	$ 289
Deferred revenue	251	—	12
	$1,298	$ 252	$ 277
Amount of contract revenue recognized in the period	$1,640	$ 755	$1,051

The unbilled revenue and deferred revenue from construction contracts are included in unbilled revenue and deferred revenue in the consolidated statements of financial position.

17. SUBSEQUENT EVENT

On June 8, 2015, the Company formed a strategic alliance with Harris Corporation ("Harris"), which will provide for each party to have exclusive rights to a defined segment of the market including revenue sharing rights once the Iridium NEXT satellite constellation is deployed. The agreement specifies the Company will pay Harris $10 million USD in commitment fees in a series of installments by June 20, 2016, of which $1 million USD was paid during the first quarter of 2015 and $6 million USD is due by June 30, 2015.

The Company has entered into an arrangement effective March 17, 2015 and has committed to provide in-kind datasets, not licensed for commercial use, in exchange for title to the EV9 satellite, subject to certain restrictions on the use, sale or transfer of the satellite within the six year period ending March 31, 2021. Once the contributions are made and the six year period has expired, the Company will have free title to the EV9 satellite. No datasets have been transferred as at May 1, 2015.

exactEarth Ltd.

Interim Consolidated Statement of Financial Position
(in thousands of Canadian Dollars)
Unaudited

		As at May 1, 2015	As at October 31, 2014
		$	$
ASSETS			
Current assets			
Cash		3,462	2,403
Trade accounts receivable		2,970	2,826
Unbilled revenue	(note 11)	1,349	1,845
Due from related parties	(note 12)	—	57
Prepaid expenses and other assets	(note 14)	881	529
Total current assets		8,662	7,660
Property, plant and equipment	(notes 4 and 13)	42,878	40,858
Intangible assets	(notes 5 and 13)	14,102	14,370
Total assets		65,642	62,888
LIABILITIES & EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	(note 14)	4,873	5,342
Due to related parties	(note 12)	206	58
Deferred revenue	(note 11)	707	977
Current portion of government loan	(note 6)	347	198
Total current liabilities		6,133	6,575
Government loan	(note 6)	1,620	1,772
Due to related parties	(notes 6 and 12)	34,812	30,009
Long-term profit sharing plan liability	(note 10)	582	176
Total liabilities		43,147	38,532
Shareholders' equity			
Share capital	(note 7)	55,120	55,120
Contributed surplus		249	250
Accumulated other comprehensive loss		(117)	(62)
Deficit		(32,757)	(30,952)
Total shareholders' equity		22,495	24,356
Total liabilities and equity		65,642	62,888

On behalf of the Board:

See accompanying notes

exactEarth Ltd.

Interim Consolidated Statement of Comprehensive Loss
(in thousands of Canadian Dollars)
Unaudited

For the three months ended		May 1, 2015	May 2, 2014
		$	$
Revenue	(notes 11 and 13)	5,939	4,286
Cost of revenue		2,551	2,058
Gross margin		3,388	2,228
Operating expenses			
Research and development		16	7
Selling, general and administrative	(note 14)	1,926	1,420
Product development		372	196
Depreciation and amortization		1,368	1,155
Loss from operations		(294)	(550)
Other (income) expense			
Other income		—	(50)
Other expense		92	—
Foreign exchange loss (gain)		118	(64)
Interest expense		347	173
Total other expense		557	59
Income tax expense		—	—
Net loss		(851)	(609)
Other comprehensive income (loss)			
Foreign currency translation adjustments		69	(15)
Total other comprehensive income (loss)		69	(15)
Comprehensive loss		(782)	(624)
Basic and diluted loss per share	(note 7)	(0.08)	(0.05)

exactEarth Ltd.

Interim Consolidated Statement of Comprehensive Loss
(in thousands of Canadian Dollars)
Unaudited

For the six months ended		May 1, 2015	May 2, 2014
		$	$
Revenue	(notes 11 and 13)	11,357	7,726
Cost of revenue		5,134	3,760
Gross margin		6,223	3,966
Operating expenses			
Research and development		31	23
Selling, general and administrative	(note 14)	3,477	2,618
Product development		701	409
Depreciation and amortization		2,737	2,200
Loss from operations		(723)	(1,284)
Other (income) expense			
Other income		—	(80)
Other expense		148	4
Foreign exchange loss (gain)		267	(155)
Interest expense		667	337
Total other expense		1,082	106
Income tax expense		—	—
Net loss		(1,805)	(1,390)
Other comprehensive loss			
Foreign currency translation adjustments		(55)	(96)
Total other comprehensive loss		(55)	(96)
Comprehensive loss		(1,860)	(1,486)
Basic and diluted loss per share	(note 7)	(0.16)	(0.13)

exactEarth Ltd.

Interim Consolidated Statement of Cash Flows
(in thousands of Canadian Dollars)
Unaudited

For the three months ended	May 1, 2015	May 2, 2014
	$	$
Net loss	(851)	(609)
Add (deduct) items not involving cash		
Imputed interest on government loan	39	32
Operating grant recognized on government loan	—	(50)
Depreciation and amortization	1,368	1,155
Foreign exchange gain on revaluation of US dollar shareholder loans	(80)	(22)
Long-term profit sharing plan liability	203	44
Change in non-cash working capital balances	1,810	1,638
Cash flows generated from operations	2,489	2,188
Investing activities		
Acquisition of property, plant, and equipment	(206)	(381)
Reimbursement of acquisition costs of property, plant, and equipment	335	—
Acquisition of intangible assets	(214)	(595)
Cash flows used in investing activities	(85)	(976)
Financing activities		
Government loan advances	—	135
Government loan repayment	(82)	—
Shareholder loans	—	750
Cash flows from financing activities	(82)	885
Effect of exchange rate changes on cash	(35)	57
Net increase in cash	2,287	2,154
Cash, beginning of the period	1,175	1,066
Cash, end of the period	3,462	3,220
Supplemental cash flow information		
Interest paid	291	205
Interest received	4	18
Taxes paid	—	—

exactEarth Ltd.

Interim Consolidated Statement of Cash Flows
(in thousands of Canadian Dollars)
Unaudited

For the six months ended	May 1, 2015	May 2, 2014
	$	$
Net loss	(1,805)	(1,390)
Add (deduct) items not involving cash		
Imputed interest on government loan	79	62
Operating grant recognized on government loan	—	(80)
Depreciation and amortization	2,737	2,200
Foreign exchange loss on revaluation of US dollar shareholder loans	124	79
Stock-based compensation and long-term incentive plan expense	—	2
Settlement of long-term incentive plans	(1)	(1)
Long-term profit sharing plan liability	406	88
Change in non-cash working capital balances	(520)	581
Cash flows generated from operations	1,020	1,541
Investing activities		
Acquisition of property, plant, and equipment	(3,783)	(1,770)
Reimbursement of acquisition costs of property, plant, and equipment	335	—
Acquisition of intangible assets	(411)	(819)
Cash flows used in investing activities	(3,859)	(2,589)
Financing activities		
Government loan advances	—	308
Government loan repayment	(82)	—
Shareholder loans	4,000	2,250
Cash flows from financing activities	3,918	2,558
Effect of exchange rate changes on cash	(20)	95
Net increase in cash	1,059	1,605
Cash, beginning of the period	2,403	1,615
Cash, end of the period	3,462	3,220
Supplemental cash flow information		
Interest paid	568	596
Interest received	8	36
Taxes paid	—	—

exactEarth Ltd.

Interim Consolidated Statement of Changes in Equity
(in thousands of Canadian Dollars)
Unaudited

For the three months ending May 1, 2015	Total	Deficit	Accumulated Other Comprehensive Loss	Share Capital	Contributed Surplus
	$	$	$	$	$
Balance January 30, 2015	23,298	(31,906)	(186)	55,120	249
Comprehensive loss	(782)	(851)	69	—	—
Balance May 1, 2015	22,495	(32,757)	(117)	55,120	249
For the three months ending May 2, 2014					
Balance January 31, 2014	27,249	(28,028)	(93)	55,120	250
Comprehensive loss	(624)	(609)	(15)	—	—
Balance May 2, 2014	26,625	(28,637)	(108)	55,120	250

For the six months ending May 1, 2015	Total	Deficit	Accumulated Other Comprehensive Loss	Share Capital	Contributed Surplus
	$	$	$	$	$
Balance October 31, 2014	24,356	(30,952)	(62)	55,120	250
Settlement of long-term incentive plans	(1)	—	—	—	(1)
Comprehensive loss	(1,860)	(1,805)	(55)	—	—
Balance May 1, 2015	22,495	(32,757)	(117)	55,120	249
For the six months ending May 2, 2014					
Balance October 31, 2013	28,110	(27,247)	(12)	55,120	249
Settlement of long-term incentive plans	(1)	—	—	—	(1)
Expense recognized for stock-based compensation and long-term incentive plans	2	—	—	—	2
Comprehensive loss	(1,486)	(1,390)	(96)	—	—
Balance May 2, 2014	26,625	(28,637)	(108)	55,120	250

1. DESCRIPTION OF THE BUSINESS

Founded in 2009, exactEarth™ Ltd. (the "Company" or "exactEarth™") is a provider of space-based maritime tracking data from its own satellites. exactEarth™ leverages advanced microsatellite technology to deliver monitoring solutions. The Company is jointly owned by COM DEV International Ltd. ("COM DEV") and HISDESAT Servicios Estratégicos S.A. ("Hisdesat"). The Company is incorporated under the Canada Business Corporations Act and its head office is located at 60 Struck Court, Cambridge, Ontario, Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These interim condensed consolidated financial statements present the Company's financial results of operations and financial position as at and for the quarter ended May 1, 2015, including comparative periods, under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB'). The interim condensed consolidated financial statements were prepared on a going concern basis using the same accounting policies and methods as those used in the Company's audited consolidated financial statements for the year ended October 31, 2014, except for any new accounting pronouncements which have been adopted and changes in accounting policies described below. These interim condensed consolidated financial statements have been prepared in compliance with IAS 34, *Interim Financial Reporting* as issued by the IASB. Accordingly, these interim condensed consolidated financial statements do not include all the information required for full annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual consolidated financial statements for the year ended October 31, 2014.

The Company's quarter-end is the Friday closest to the last day of the month in the fiscal quarter while the year-end date is fixed at October 31.

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of the Company on June xx, 2015.

b) Basis of presentation

These interim condensed consolidated financial statements include the accounts of the Company's subsidiary with inter-company transactions and balances eliminated. The Company has two divisions in each of Cambridge, Ontario, Canada and Harwell, UK.

These interim condensed consolidated financial statements are presented in Canadian dollars and have been prepared on a historical cost basis.

c) Change in accounting policies

IFRS Interpretations Committee ("IFRIC") 21, Levies

In May 2013, the IFRIC, with approval of the IASB, issued IFRIC 21, *Levies*. IFRIC 21 provides guidance on when to recognize a liability to pay a levy imposed by government that is accounted for in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 became effective for the Company on November 1, 2014, and was applied retrospectively. The adoption of IFRIC 21 did not have an impact on the interim condensed consolidated financial statements of the Company.

International Accounting Standard 32, Financial Instruments: Presentation

In December 2011, International Accounting Standard 32, Financial Instruments: Presentation ("IAS 32") was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of set-off must be available on the current date and cannot be contingent on a future event. The amendment became effective for the Company on November 1, 2014. The adoption of the amendment to IAS 32 did not have an impact on the interim condensed consolidated financial statements of the Company.

International Accounting Standard 36, Impairment of Assets

International Accounting Standard 36, Impairment of Assets ("IAS 36") was amended in 2013 to address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs to sell. Specifically, for any material impairment losses recognized or reversed during the reporting period, this amendment requires an entity to disclose

(in thousands of Canadian dollars, except where otherwise noted and per share figures)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

the recoverable amount of the cash generating unit ("CGU") and when the recoverable amount has been based on fair value less costs to sell, the entity must disclose the level of the IFRS 13 'fair value hierarchy' within which the fair value measurement of the asset or CGU has been determined. For all measurements at Level 2 or Level 3 of the fair value hierarchy, the entity must disclose the valuation technique used as well as any changes in that valuation technique and key assumptions used in the measurement of fair value including the discount rates used if a present value technique is applied. The amendment became effective for the Company on November 1, 2014. The adoption of the amendment to IAS 36 did not have an impact on the interim condensed consolidated financial statements of the Company.

There are no future changes to IFRS with potential impact on the Company other than those disclosed in the October 31, 2014 audited consolidated financial statements.

3. GOVERNMENT ASSISTANCE

Government grants

On November 16, 2012, exactEarth™ signed an interest-free loan agreement with the Federal Development Agency for Southern Ontario ("FED DEV"). Under this agreement, exactEarth™ is eligible to receive interest-free repayable funding for certain expenditures incurred from May 6, 2011 to March 31, 2014 to a maximum of $2,491. The interest-free loan is repayable in 60 equal consecutive monthly instalments beginning April 1, 2015. Payments of $82 were made during the three months ended May 1, 2015 (2014: nil).

The FED DEV interest-free loan is measured at amortized cost, using the effective interest rate method at a rate of 8%. An interest rate of 8% was used based on the market interest rate for a comparable instrument with a similar term. The difference between the fair value at inception and the loan proceeds received is recorded as a government grant, which is recognized as an operating grant and a capital grant based on the relative proportion of eligible expenditures incurred. The operating grant is recorded as "Other income" in the consolidated statements of comprehensive loss and the capital grant is recorded as a reduction in the cost of the related asset and amortized to income over the life of the asset.

For the three and six months ended May 1, 2015, exactEarth™ received proceeds of nil and nil (2014 — $135 and $308) relating to the FED DEV arrangement. The amounts recognized in respect of the FED DEV arrangement are as follows:

Recognized in the consolidated statement of comprehensive loss for the three months ended:	May 1, 2015	May 2, 2014
Interest expense	$39	$ 32
Other income — operating grant	—	(50)
Cost of revenue — amortization of capital grant	(7)	(7)
Net impact	$32	$(25)

Recognized in the consolidated statement of comprehensive loss for the six months ended:	May 1, 2015	May 2, 2014
Interest expense	$ 79	$ 62
Other income — operating grant	—	(80)
Cost of revenue — amortization of capital grant	(15)	(15)
Net impact	$ 64	$(33)

(in thousands of Canadian dollars, except where otherwise noted and per share figures)

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

Cost	Leasehold Improvements	Satellites	Electrical Equipment	Computer Hardware	Furniture and Fixtures	Total
October 31, 2014	46	43,990	2,563	2,683	106	49,388
Additions	—	3,920	130	11	5	4,066
Translation adjustment	—	—	12	—	—	12
May 1, 2015	46	47,910	2,705	2,694	111	53,466

Accumulated Depreciation	Leasehold Improvements	Satellites	Electrical Equipment	Computer Hardware	Furniture and Fixtures	Total
October 31, 2014	43	6,048	616	1,725	98	8,530
Depreciation expense	1	1,665	151	237	4	2,058
May 1, 2015	44	7,713	767	1,962	102	10,588

Net Book Value	Leasehold Improvements	Satellites	Electrical Equipment	Computer Hardware	Furniture and Fixtures	Total
October 31, 2014	3	37,942	1,947	958	8	40,858
May 1, 2015	2	40,197	1,938	732	9	42,878

Included in property, plant and equipment as at May 1, 2015 is $14,879 (October 31, 2014 — $14,233) of satellite and electrical equipment that has not yet commenced being depreciated as the assets are under construction and not yet ready for use.

Additions to satellites for the period ended May 1, 2015 are shown net of $335 (October 31, 2014 — nil) of cost reimbursements received by the Company for assisting in the development of a satellite under construction.

Borrowing costs capitalized for inclusion in the cost of certain assets were $537 (October 31, 2014 — $17).

5. INTANGIBLE ASSETS

Intangible assets consist of the following:

Cost	Computer Software	Internally Developed Technology	Data Rights	Total
October 31, 2014	3,404	8,637	5,609	17,650
Additions	35	52	324	411
May 1, 2015	3,439	8,689	5,933	18,061

Accumulated Amortization	Computer Software	Internally Developed Technology	Data Rights	Total
October 31, 2014	1,799	1,481	—	3,280
Amortization expense	295	384	—	679
May 1, 2015	2,094	1,865	—	3,959

(in thousands of Canadian dollars, except where otherwise noted and per share figures)

5. INTANGIBLE ASSETS (Continued)

Net Book Value	Computer Software	Internally Developed Technology	Data Rights	Total
October 31, 2014	1,605	7,156	5,609	14,370
May 1, 2015	1,345	6,824	5,933	14,102

Included in intangible assets is internally developed technology of $52 (October 31, 2014 — nil), and data rights of $5,933 (October 31, 2014 — $5,609) that have not yet commenced being amortized as they are still under development and not yet ready for use.

Borrowing costs capitalized for inclusion in the cost of certain assets were $180 (October 31, 2014 — $236).

Significant individual assets included in the amounts above as at May 1, 2015 are as follows:

Description	Category	Carrying Amount	Remaining Amortization Period (Months)
Decollision software	Internally Developed Technology	$4,167	153
Alora ground control software	Internally Developed Technology	2,240	71
Class B detection technology	Internally Developed Technology	373	73
Big data platform	Internally Developed Technology	52	84
EV9 data license	Data Rights	3,561	120
Data license	Data Rights	2,372	120

6. LOANS PAYABLE, FINANCIAL INSTRUMENTS AND FOREIGN EXCHANGE

a) LOANS PAYABLE

Loans payable are comprised as follows:

	May 1, 2015	October 31, 2014
COM DEV loan (i)	$10,661	$ 7,616
Hisdesat loan (ii)	3,847	2,768
FED DEV (note 3)	1,967	1,970
	$16,475	$12,354
Less: current portion of loans payable	347	198
Long-term loans payable	$16,128	$12,156

i) On July 30, 2012, COM DEV, the majority interest investor in the Company, made available a revolving credit facility of up to $12,410. On November 12, 2014, COM DEV International Ltd. advanced the Company $2,920. As at May 1, 2015 the balance outstanding net of issue costs was $10,661 (October 31, 2014 — $7,616), of which $1,719 is the Canadian dollar equivalent of a $1,414 USD denominated draw on the facility (October 31, 2014 — $1,593) while the rest of the borrowings are in Canadian dollars. The facility shall fall due on the anniversary date, and may be renewed for successive one-year periods at the option of the lender. The lender has formally agreed to waive its right to demand repayment of the principal owing until August 1, 2016. The Company may make principal repayments at any time and from time to time without notice, bonus or penalty. Interest accrues at the rate of 8% per annum, and is calculated and accrued monthly, with the monthly payment due on the first day of the next month.

This facility is provided subject to certain covenants. The collateral for this arrangement includes a general security agreement on the property, plant and equipment of the Company. The security is subject to certain permitted liens, existing indebtedness, and existing security documents.

(in thousands of Canadian dollars, except where otherwise noted and per share figures)

6. LOANS PAYABLE, FINANCIAL INSTRUMENTS AND FOREIGN EXCHANGE (Continued)

The Company has made interest payments in the three and six months ended May 1, 2015 of $214 and $417 (2014 — $150 and $286) and has not made any principal payments.

ii) On July 30, 2012, Hisdesat, the minority interest investor in the Company, made available a revolving credit facility of up to $4,590. On November 12, 2014, Hisdesat, the minority interest investor in exactEarth™ Ltd., advanced the Company $1,080, increasing the total balance outstanding net of issue costs as at May 1, 2015 to $3,847 (October 31, 2014 — $2,768). The facility shall fall due on the anniversary date, and may be renewed for successive one-year periods at the option of the lender. The lender has formally agreed to waive its right to demand repayment of the principal owing until August 1, 2016. The Company may make principal repayments at any time and from time to time without notice, bonus or penalty. Interest accrues at the rate of 8% per annum, and is calculated and accrued monthly, with the monthly payment due on the first day of the next month.

This facility is provided subject to certain covenants. The collateral for this arrangement includes a general security agreement on the property, plant and equipment of the Company. The security is subject to certain permitted liens, existing indebtedness, and existing security documents.

The Company has made interest payments in the three and six months ended May 1, 2015 of $77 and $151 (2014 — $55 and $105) and has not made any principal payments.

b) FINANCIAL INSTRUMENTS

Fair values

The FED DEV loan, included in loans payable, has a carrying value as at May 1, 2015 of $1,967 (October 31, 2014 — $1,970) which approximates the fair value as the loan was recorded at fair value when the cash was received and the Company's borrowing rate has not changed. The fair value of the FED DEV loan was calculated using discounted cash flows with a discount rate of 8% indicative of the Company's borrowing rate. The carrying value of the COM DEV and Hisdesat loans approximate fair value as they are renewed annually and the Company's borrowing rate has not changed since the funds were received. The fair value of the FED DEV, COM DEV and Hisdesat loans is considered to be a level 2 measurement.

As at May 1, 2015, approximately 32% of cash and cash equivalents, 24% of accounts receivables, and 46% of accounts payable and accrued liabilities are denominated in foreign currencies (October 31, 2014 — 42%, 25%, and 5%, respectively). These foreign currencies include the US dollar, the British pound, and the euro.

The Company is exposed to foreign exchange risk on the following cash, accounts receivable, and accounts payable denominated in foreign currencies:

Currency	Cash	Accounts receivable	Accounts payable
USD	$ 57	$270	$1,609
GBP	£ 98	£ 64	£ 88
EUR	€631	€199	€ —

7. SHARE CAPITAL

Issued capital

The Company has authorized an unlimited number of preferred shares of which there are none outstanding. The Company has authorized an unlimited number of common shares with no par value. As at May 1, 2015 and October 31, 2014, the issued and outstanding shares are 11,111,111.

(in thousands of Canadian dollars, except where otherwise noted and per share figures)

7. SHARE CAPITAL (Continued)

Earnings per share

The following table sets forth the computation of basic and diluted earnings per share for the three months ended:

	May 1, 2015	May 2, 2014
Numerator for basic and diluted earnings per share available to common shareholders		
Net loss attributable to common shareholders	$ (851)	$ (609)
Denominator for basic earnings per share — weighted average number of shares outstanding	11,111,111	11,111,111
Effect of dilutive securities	—	—
Basic and diluted loss per share	$ (0.08)	$ (0.05)

The following table sets forth the computation of basic and diluted earnings per share for the six months ended:

	May 1, 2015	May 2, 2014
Numerator for basic and diluted earnings per share available to common shareholders		
Net loss attributable to common shareholders	$ (1,805)	$ (1,390)
Denominator for basic earnings per share — weighted average number of shares outstanding	11,111,111	11,111,111
Effect of dilutive securities	—	—
Basic and diluted loss per share	$ (0.16)	$ (0.13)

There are no dilutive instruments outstanding as at May 1, 2015 and May 2, 2014.

Stock-based compensation

The Company recognizes compensation cost for all stock options granted to employees under the COM DEV stock option plan. COM DEV employs a fair value based method of accounting for all options issued to employees or directors. The option exercise price is the market value of the Company's common shares at the date of the grant. During the three months ended May 1, 2015, COM DEV granted nil (2014 — nil) stock options to the Company's employees.

For the three and six months ended May 1, 2015 and May 2, 2014, there was no compensation expense recognized and there was no option activity.

A summary of options outstanding and vested is as follows:

Exercise price	Number outstanding and vested as at May 1, 2015	Remaining contractual life in years	Number outstanding and vested as at October 31, 2014	Remaining contractual life in years
$1.89	30,264	0.12	30,264	0.67

All outstanding vested options can be exercised prior to their expiry date any time there is an open trading window for COM DEV shares.

(in thousands of Canadian dollars, except where otherwise noted and per share figures)

7. SHARE CAPITAL (Continued)

Long-term incentive plans

The following details the RSUs and PSUs for the six months ended:

	May 1, 2015		May 2, 2014	
	RSU	PSU	RSU	PSU
Opening balance as at October 31,	—	—	12,438	2,739
Granted	—	—	—	—
Settled	—	—	(12,438)	(2,055)
Forfeited	—	—	—	(684)
Ending balance	—	—	—	—

For the three and six months ended May 1, 2015, compensation expense of nil and nil (2014 — nil and $2) was recognized.

8. COMMITMENTS AND CONTINGENCIES

Lease commitments

The Company has commitments under lease agreements for facilities of $22, all of which are due within the next year.

Capital commitments

As at May 1, 2015, capital commitments in respect of the purchase of property, plant and equipment were $7,030. There were no other material capital commitments outstanding as at May 1, 2015.

In-kind contribution commitment

The Company has entered into an arrangement effective March 17, 2015 and has committed to provide in-kind datasets, not licensed for commercial use, in exchange for title to the EV9 satellite, subject to certain restrictions on the use, sale or transfer of the satellite within the six year period ending March 31, 2021. Once the contributions are made and the six year period has expired, the Company will have free title to the EV9 satellite. No datasets have been transferred as at May 1, 2015.

Claims or legal actions

The Company does not have any outstanding claims or legal actions.

9. INCOME TAXES

For the three and six months ended May 1, 2015, the Company's effective income tax rate of nil% (2014 — nil%) differs from the combined federal and provincial income tax rate of 26.5% (2014 — 26.5%) primarily as a result of the Company incurring losses during the period on which no tax recovery was recorded because the deferred tax asset was not considered to be probable of being realized.

10. EMPLOYEE BENEFITS

Defined contribution pension plan

The Company has a defined contribution pension plan for its employees. During the three and six months ended May 1, 2015, the Company's contributions, which are based on the contributions by employees, were $45 and $87 (2014 — $36 and $75) and are included in "Selling, general and administrative" expenses in the consolidated statement of comprehensive loss.

Long-term profit sharing plan

The Company has a long-term profit sharing plan for certain of its employees. During the three and six months ended May 1, 2015, the expenses recognized based on the forecasted net income was $203 and $406 (2014 — $44 and $88).

(in thousands of Canadian dollars, except where otherwise noted and per share figures)

10. EMPLOYEE BENEFITS (Continued)

Salaries and benefits

Total salaries and employee benefit expense for the three and six months ended May 1, 2015 were $2,026 and $4,031 (2014 — $1,754 and $3,320).

11. CONSTRUCTION CONTRACT REVENUE

The following details the construction contracts in progress.

	May 1, 2015	October 31, 2014
Percentage of completion revenue contracts		
Costs incurred	$ 1,140	$ 692
Estimated earnings	1,603	1,375
Progress billings	(1,638)	(769)
Total contracts in progress	$ 1,105	$1,298
Disclosed as:		
Unbilled revenue	1,106	$1,549
Deferred revenue	1	251
	$ 1,105	$1,298

The unbilled revenue and deferred revenue from construction contracts are included in unbilled revenue and deferred revenue in the consolidated statement of financial position. The amount of contract revenue recognized in the three and six months ended May 1, 2015 was $470 and $744 (May 2, 2014 — $414 and $792).

12. RELATED PARTIES

The following table details the transactions and balances between the Company and COM DEV (and its subsidiaries).

For the three months ended:	May 1, 2015	May 2, 2014
Purchase of services	$211	$ 213
Purchase of property, plant and equipment	46	1,541
Rent	18	18
Interest charged by COM DEV	580	150
Revenue from COM DEV	12	178

For the six months ended:	May 1, 2015	May 2, 2014
Purchase of services	$ 372	$ 319
Purchase of property, plant and equipment	91	5,951
Rent	36	36
Interest charged by COM DEV	1,149	286
Revenue from COM DEV	33	360

As at:	May 1, 2015	October 31, 2014
Accounts payable	$20,509	$19,683
Outstanding term loan	10,661	7,616
Accounts receivable	—	57

(in thousands of Canadian dollars, except where otherwise noted and per share figures)

12. RELATED PARTIES (Continued)

The accounts payable to COM DEV include $937 (2014 — $58) classified as current and $19,572 (2014 — $19,625) classified as long-term. COM DEV has formally agreed to waive its right to demand repayment of the portion of accounts payable classified as long-term until August 1, 2016.

On November 1, 2014, COM DEV began charging interest on the value of certain accounts payable owing by the Company. For the three and six months ended May 1, 2015, total interest charged with respect to this deferred balance was $365 and $731, of which $260 and $521 was capitalized through assets under construction.

The following table details transactions and balances between the Company and Hisdesat.

For the three months ended:	May 1, 2015	May 2, 2014
Interest charged by Hisdesat	$77	$55
Revenue from Hisdesat	28	51

For the six months ended:	May 1, 2015	May 2, 2014
Interest charged by Hisdesat	$151	$105
Revenue from Hisdesat	70	158

As at:	May 1, 2015	October 31, 2014
Outstanding term loan	$3,847	$2,768

13. SEGMENT AND GEOGRAPHIC INFORMATION

Revenue by product type

Revenue is divided into three categories based on the types of products sold. Subscription Services are recognized over the life of the contract term, Data Products are sold on-demand and recognized on delivery, and Other Products and Services include various other revenue streams and are recognized based on the contract terms.

For the three months ended:	May 1, 2015	May 2, 2014
Subscription Services	$5,093	$2,808
Data Products	553	1,011
Other Products & Services	293	467
	$5,939	$4,286

For the six months ended:	May 1, 2015	May 2, 2014
Subscription Services	$10,150	$5,784
Data Products	609	1,089
Other Products & Services	598	853
	$11,357	$7,726

Geographic Information

Revenue by customer is based on where the customer is located.

(in thousands of Canadian dollars, except where otherwise noted and per share figures)

13. SEGMENT AND GEOGRAPHIC INFORMATION (Continued)

For the three months ended:

Revenue	May 1, 2015	May 2, 2014
Canada	$3,380	$2,126
United States	177	271
Europe	1,487	1,143
Other	895	746
	$5,939	$4,286

For the six months ended:

Revenue	May 1, 2015	May 2, 2014
Canada	$ 6,609	$3,394
United States	273	541
Europe	2,802	2,307
Other	1,673	1,484
	$11,357	$7,726

For the three and six months ended May 1, 2015, one customer comprised 55% and 57% of revenue (2014 — one customer comprised 49% and three customers comprised 63%).

Property, plant and equipment is attributed to the country in which it is located or, for spaced based assets, the country in which it is owned. Intangible assets are attributed to the country where ownership of the asset resides.

	May 1, 2015	October 31, 2014
Property, Plant and Equipment		
Canada	$42,436	$40,400
United Kingdom	442	458
	$42,878	$40,858
Intangible Assets		
Canada	$14,102	$14,370
United Kingdom	—	—
	$14,102	$14,370

14. EQUITY TRANSACTION COSTS

During the second quarter, the Company incurred certain legal, accounting and other professional fees related to the planned initial public offering of the Company's shares. These transaction costs are incremental costs directly attributable to an equity transaction and have been deferred in the consolidated statement of financial position. When the equity transaction is completed, these costs will be accounted for as a deduction from equity. A portion of the costs incurred in the amount of $255 related to shares previously issued, have been recorded as an expense in the period in the interim consolidated statement of comprehensive loss.

15. SUBSEQUENT EVENT

On June 8, 2015, the Company formed a strategic alliance with Harris Corporation ("Harris"), which will provide for each party to have exclusive rights to a defined segment of the market including revenue sharing rights once the Iridium NEXT satellite constellation is deployed. The agreement specifies the Company will pay Harris $10 million USD in commitment fees in a series of installments by June 20, 2016, of which $1 million USD was paid during the first quarter of 2015 and $6 million USD is due by June 30, 2015.

APPENDIX A — MANDATE OF THE BOARD OF DIRECTORS

EXACTEARTH LTD.
(the "Corporation")
MANDATE OF THE DIRECTORS

I. PURPOSE

The Board of Directors (the "**Board**") of exactEarth Ltd. (the "**Corporation**") is responsible for providing oversight of the management of the business. The Board shall meet regularly to review the business operations, corporate governance and financial results of the Corporation. Each director has a responsibility to attend and participate in meetings of the Board. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

II. COMPOSITION

The Board shall be constituted at all times of a majority of independent directors as required by applicable securities laws. Where the Chair is not independent, the independent directors will select one of their number to be appointed lead director of the Board for such term as the independent directors may determine. If the Corporation has a non-executive, independent Chair, then the role of the lead director will be filled by the non-executive Chair. The lead director or non-executive Chair will chair regular meetings of the independent directors and assume other responsibilities that the independent directors as a whole have designated.

III. CHAIR OF THE BOARD

The chair of the Board (the "**Chair**") will be appointed by the Board, after considering the recommendation of the Corporate Governance and Nominating Committee, for such term as the Board may determine.

IV. RESPONSIBILITIES

The Board's mandate is the stewardship of the Corporation and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

1. Assignment to the committees of directors certain areas of responsibility as follows:
   (a) ***Corporate Governance and Nominating Committee*** — developing the Corporation's approach to corporate governance of directors and related issues, and searching for and proposing new nominees to the Board;
   (b) ***Audit Committee*** — developing the Corporation's approach to financial reporting and internal controls; and
   (c) ***Human Resources and Compensation Committee*** — developing the Corporation's approach to issues relating to compensation generally, and to the compensation of the executive officers.
2. With the assistance of the Corporate Governance and Nominating Committee:
   (a) Reviewing the composition of the Board and ensuring that it respects its independence criteria;
   (b) Assessment, at least annually, of the effectiveness of the Board (including, without limitation, consideration of the appropriate size of the Board) as a whole, the committees of the Board and the contributions of individual directors;
   (c) Reviewing the recommendations of the Corporate Governance and Nominating Committee regarding the compensation of the directors and other benefits conferred upon the directors;
   (d) Ensuring that an appropriate review selection process for new nominees to the Board is in place;
   (e) Ensuring that an appropriate orientation and continuing education opportunities program for new members of the Board is in place;

(f) Approving disclosure and securities compliance policies, including communications policies of the Corporation;

(g) Adopting procedures that seek to ensure the Board receives feedback from security holders on material issues.

(h) Reviewing the quality of the Corporation's governance and approving changes to the Corporation's governance practices as appropriate.

3. With the assistance of the Audit Committee:

   (a) Reviewing the integrity of the Corporation's internal controls and management information systems;

   (b) Reviewing the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents; and

   (c) Identification of the principal risks of the Corporation's business and ensuring that appropriate systems are in place to manage these risks.

4. With the assistance of the Human Resources and Compensation Committee:

   (a) Approving all aspects of the Chief Executive Officer's (the "**CEO**") compensation and benefits, including the approval of the goals and objectives of the CEO and of the Corporation, and the review of the results of the evaluation of his/her performance in light of those goals and objectives;

   (b) Approving the structure of the compensation of the executives who report directly to the CEO, including the approval of the objectives and goals of the Corporation relevant to the compensation of such executive officers;

   (c) Succession planning (including appointing, training and mentoring senior management); and

   (d) Approval the approach of the Corporation to compensation, generally.

5. The selection, appointment, monitoring, evaluation and, if necessary, the replacement of the CEO, and, on the recommendation of the CEO, the selection and appointment and, if necessary, the replacement of the other executive officers.

6. Approval of the annual strategic plan which takes into account, among other things, the opportunities and risks of the business, and monitoring performance against such plan. Approval of all actions, plans and decisions requiring Board approval as set out in the Corporation's policies and procedures, and, with the assistance of the Corporate Governance and Nominating Committee, the annual review of the delegation of decision-making authority through the Corporation and its subsidiaries.

7. Performing such other functions as prescribed by law or assigned to the Board in the Corporation's constating documents and by-laws.

Meetings of the Board will be held at least quarterly, with additional meetings to be held depending on the state of the Corporation's affairs and in light of opportunities or risks which the Corporation faces. In addition, separate, regularly scheduled meetings of the independent directors of the Board will be held at which members of management are not present.

The Board will delegate responsibility for the day-to-day management of the Corporation's business and affairs to the Corporation's senior officers and will supervise such senior officers appropriately.

The Board will communicate its expectations of management through various established practices including, but not limited to, the review and approval of the Corporation's annual business plan and operating budget, the objectives of the CEO, and corporate policies, including compliance with all applicable laws and regulations.

V. Corporate Social Responsibility, Ethics and Integrity

The Corporation has adopted a Code of Business Conduct and Ethics for which the Board monitors compliance. The Board will provide leadership to the Corporation in support of its commitment to corporate social responsibility, set the ethical tone for the Corporation and its management and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer and management and satisfy itself that the Chief Executive Officer and management create a culture of integrity throughout the organization.

VI. OTHER

On a yearly basis, the Board will review its Charter, and where appropriate will make changes.

APPROVED by the Board of Directors on ● , 2015.

APPENDIX B — CHARTER OF THE AUDIT COMMITTEE

EXACTEARTH LTD.
(the "Corporation")
AUDIT COMMITTEE CHARTER

A. PURPOSE

The Audit Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**") of exactEarth Ltd. (the "**Corporation**") with the primary function to:

(a) assist the Board in fulfilling its responsibilities by reviewing:

(i) the financial reports provided by the Corporation to any governmental or regulatory body exercising authority over the Corporation (each a "**Regulatory Body**" and collectively, the "**Regulatory Bodies**"), the Corporation's shareholders or to the general public, and

(ii) the Corporation's risk management system, and internal financial and accounting controls;

(b) oversee the engagement of, and work performed by, any independent public accountants; and

(c) recommend, establish and monitor procedures including, without limitation, those relating to risk management and those designed to improve the quality and reliability of the disclosure of the Corporation's financial condition and results of operations.

B. COMPOSITION

The Committee shall be comprised of a minimum of three directors as appointed by the Board, each of whom will meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the Corporation's securities are listed, including National Instrument 52-110 — *Audit Committees*. In addition, each member of the Committee (a "**Member**") will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

The Members of the Committee shall be elected by the Board at the meeting of the Board following each annual meeting of the shareholders, and shall serve until their successors shall be duly elected and qualified or until their earlier death, resignation or removal. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

C. RESPONSIBILITIES

To fulfill its responsibilities and duties, the Committee shall:

<u>Document Review</u>

1. Assess the adequacy of this Charter periodically as conditions dictate, but at least annually (and update this Charter if and when as appropriate).

2. Review with representatives of management and representatives of the Corporation's independent accounting firm the Corporation's audited annual financial statements, Management's Discussion & Analysis document, and annual results press release, prior to their public disclosure. After such review and discussion, the Committee shall recommend to the Board whether such audited financial statements, and Management's Discussion & Analysis should be included in the Corporation's Annual Report. The Committee shall also review the Corporation's interim financial statements, Management's Discussion & Analysis document, and interim results press releases, prior to their public disclosure, and such other financial reports and public disclosures as may be required by any other Regulatory Body.

3. Take steps to ensure that the independent accounting firm reviews the Corporation's interim financial statements prior to their inclusion in the Corporation's interim reports and such other financial reports and filings as may be required by any other Regulatory Body.
4. At least annually, assess the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosures noted in (2) above.
5. Assess the performance of the Chief Financial Officer and provide recommendations to the Chief Executive Officer and Human Resources and Compensation Committee with respect to the award of any monetary bonus, if applicable, in accordance with the Incentive Program established by the Human Resources and Compensation Committee.

Independent Accounting Firm

1. Be directly responsible for the selection, compensation and oversight of any independent accounting firm engaged by the Corporation for the purpose of preparing or issuing an audit report or related work. The Committee shall have the ultimate authority and responsibility to select, evaluate and, when warranted, replace such independent accounting firm (or to recommend such replacement for stockholder approval in any proxy statement).
2. Resolve any disagreements between management and the independent accounting firm as to financial reporting matters.
3. Instruct the independent accounting firm that it should report directly to the Committee on matters pertaining to the work performed during its engagement and on matters required by the rules and regulations of any applicable Regulatory Body.
4. On an annual basis, receive from the independent accounting firm a formal written statement identifying all relationships between the independent accounting firm and the Corporation. The Committee shall actively engage in a dialogue with the independent accounting firm as to any disclosed relationships or services that may impact its independence. The Committee shall take appropriate action to oversee the independence of the independent accounting firm.
5. On an annual basis, discuss with representatives of the independent accounting firm the matters required to be discussed by the rules, regulations and guidelines governing the independent accounting firm.
6. Meet with the independent accounting firm prior to the audit to review the planning and staffing of the audit, and consider whether or not to approve the auditing services proposed to be provided.
7. Evaluate the performance of the independent accounting firm and consider the discharge of the independent accounting firm when circumstances warrant. The independent accounting firm shall be ultimately accountable to the Board and the Committee.
8. Consider in advance whether or not to approve any non-audit services to be performed by the independent accounting firm, which are required to be approved by the Committee pursuant to the rules and regulations of any applicable Regulatory Body. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

Financial Reporting Process

1. In consultation with the independent accounting firm and management, review annually the adequacy of the Corporation's internal financial and accounting controls.
2. Require the Corporation's chief executive officer and chief financial officer to submit, as required by applicable laws, and prior to the filing of the Annual Report or any interim reports, a report, dated no earlier than 10 days prior to the date of filing of the Annual Report or any interim reports, to the

Committee which evaluates the design and operation of the Corporation's internal financial and accounting controls, and which discloses (a) any significant deficiencies discovered in the design and operation of the internal controls which could adversely affect the Corporation's ability to record, process, summarize, and report financial data; and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls. The Committee shall direct the actions to be taken and/or make recommendations to the Board of actions to be taken, to the extent such report indicates the finding of any significant deficiencies in internal controls or fraud.

3. Regularly review the Corporation's critical accounting policies and accounting estimates resulting from the application of these policies, and inquire at least annually of both the Corporation's management and the independent accounting firm as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies.

Risk Management

1. On an annual basis, review the risk profile of the Corporation, including risk tolerances, processes, accountabilities and limits of authorities.
2. On an annual basis, review management's efforts to implement an effective risk management system that is capable of providing reliable information to the Board on significant risks facing the Corporation.
3. On a quarterly basis, review management's reports on major areas of risk facing the Corporation and management's risk treatment strategies.
4. On a quarterly and annual basis, review the Management's Discussion & Analysis and Annual Report to ensure it accurately reflects the risk profile of the Corporation.
5. Consult periodically with other Committees of the Board on risk management matters within their purview.
6. Encourage an open and risk-conscious environment where the Board and management actively promote and discuss areas relating to risk management.

Compliance

1. To the extent deemed necessary by the Committee, it shall have the authority to engage outside counsel, independent accounting consultants and/or other experts, in each case at the Corporation's expense, to review any matter under its responsibility.
2. Establish procedures for (a) receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) confidential, anonymous submissions by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
3. Investigate any allegations that any officer or director of the Corporation, or any other person acting under the direction of any such person, took any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Corporation for the purpose of rendering such financial statements materially misleading and, if such allegations prove to be correct, take or recommend to the Board appropriate disciplinary action.
4. The Committee shall ensure that any options grants approved by the Board are issued at the grant date with the appropriate exercise price and the correct amount of options provided in total.
5. Review and approve hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Corporation.

6. The Committee has the authority to retain, at the Corporation's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

Reporting

1. Prepare, in accordance with the rules of any Regulatory Body, a written report of Committee to be included in the Corporation's annual proxy statement for each annual meeting of shareholders.
2. Instruct the Corporation's management to disclose in its Annual Report and in any interim reports the approval by the Committee of any non-audit services performed by the independent accounting firm, and review the substance of any such disclosure.

Conflicts of Interest

1. Review all related party transactions involving executive officers and members of the Board and, as required by any Regulatory Body, consider approval of such transactions, or recommendation for approval to the Corporate Governance Committee of the Corporation.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

D. AUDIT COMMITTEE CHAIR

In addition to the responsibility and specific duties as an individual director, and any other applicable charter or position description, the chair ("**Chair**") of the Committee has the responsibility and specific duties described below.

Appointment

The Chair will be a duly elected member of the Board and be appointed by the Board as the Chair each year. The Chair will be independent as defined from time to time under applicable securities laws and will have the appropriate competencies and skills as determined by the Board.

Responsibility

The Chair provides independent, effective leadership to the Committee and leads the Committee in fulfilling the duties set out in its Charter.

Specific Duties

The Chair will:

1. Provide overall leadership to enhance the effectiveness of the Committee.
2. Take all reasonable steps to provide that the responsibilities and duties of the Committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible.
3. Foster ethical and responsible decision-making by the Committee and its individual members.
4. Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling the terms of its Charter.
5. With the Corporate Governance and Nominating Committee, oversee the structure, composition, membership and activities delegated to the Committee.
6. With the Corporate Governance and Nominating Committee, ensure that the Committee's composition complies with applicable law.

7. Take all reasonable steps to provide that the Committee meets at least four times annually and as many additional times as necessary to carry out its duties effectively.
8. With the other Committee members, and members of management as appropriate, establish the agenda for each Committee meeting.
9. Chair all meetings of the Committee, including closed sessions and in-camera sessions. If the Committee Chair is not present at a meeting, the Committee members present will choose a Committee member to chair the meeting.
10. Take all reasonable steps to provide sufficient time during Committee meetings to fully discuss agenda items.
11. Encourage Committee members to ask questions and express viewpoints during meetings.
12. Deal effectively with dissent, and work constructively towards arriving at decisions and achieving consensus.
13. Take all reasonable steps to ensure that the Committee meets in separate, regularly scheduled, non-management, in-camera sessions.
14. Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
15. Take all reasonable steps to provide that Committee materials are available to any director on request.
16. Facilitate effective communication between Committee members and management, both inside and outside of Committee meetings.
17. Have an effective working relationship with members of management.
18. Take all reasonable steps to ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.
19. Carry out any other appropriate duties and responsibilities assigned by the Board or delegated by the Committee.

To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this position description is delegated to the secretary, who will report any amendments to the Corporate Governance and Nominating Committee at its next meeting.

Once or more annually, as the Corporate Governance and Nominating Committee decides, this position description will be fully evaluated and updates recommended to the Board for consideration.

APPROVED by the Board of Directors on • , 2015.

CERTIFICATE OF EXACTEARTH LTD.

Dated: July 13, 2015

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of each of the provinces and territories of Canada.

By: (Signed) PETER MABSON
President, as Chief Executive Officer

By: (Signed) SEAN MAYBEE
VP Finance and Business Operations,
as Chief Financial Officer

On behalf of the Board of Directors

By: (Signed) MICHAEL PLEY
Director

By: (Signed) GARY CALHOUN
Director

CERTIFICATE OF PROMOTER

Dated: July 13, 2015

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of each of the provinces and territories of Canada.

On behalf of the Promoter
COM DEV International Ltd.

By: (Signed) MICHAEL PLEY

CERTIFICATE OF THE UNDERWRITERS

Dated: July 13, 2015

To the best of our knowledge, information and belief, this amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of each of the provinces and territories of Canada.

CANACCORD GENUITY CORP.

By: (Signed) SANJIV SAMANT

CIBC WORLD MARKETS INC.	**GMP SECURITIES L.P.**	**PARADIGM CAPITAL INC.**
By: (Signed) RYAN VOEGELI	By: (Signed) STEVE OTTAWAY	By: (Signed) BARRY RICHARDS

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