

SENSOR TECHNOLOGIES CORP.

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Prepared in Canadian dollars)

June 30, 2022

SENSOR TECHNOLOGIES CORP.

**NOTICE OF NO AUDITOR REVIEW OF INTERIM UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, sub-section 4.3(3)(a), if an auditor has not performed a review of the interim unaudited condensed consolidated financial statements, they must be accompanied by a notice that the interim unaudited condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim unaudited condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim unaudited condensed financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim unaudited financial statements by an entity's auditor.

SENSOR TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2022 AND DECEMBER 31, 2021
(Unaudited - expressed in Canadian dollars)

	Note	June 30, 2022	December 31, 2021
ASSETS			
Current Assets:			
Cash		\$ 553,275	\$ 11,035
Trade and other accounts receivable		16,014	13,079
Prepaid expenses		6,452	12,890
Total current assets		575,741	37,004
Non-current assets:			
Investment in subsidiary held for sale	2	69,873	88,755
Oil and gas property interests	4	1	1
Deposits	11	346,134	345,233
Total non-current assets		416,008	433,989
Total assets		\$ 991,749	\$ 470,993
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 312,121	\$ 328,434
Reclamation & decommissioning obligation	7	367,776	367,776
Advances	5	122,983	118,223
Total current liabilities		802,880	814,433
Long term liabilities			
CERB loan	9	60,000	60,000
Total long term liabilities:		60,000	60,000
Total liabilities		862,880	874,433
SHAREHOLDERS' EQUITY/(DEFICIENCY)			
Capital stock	6	5,638,986	5,166,515
Warrants		57,529	-
Accumulated other comprehensive income		(1,992)	(446)
Deficit		(5,565,654)	(5,569,509)
Total shareholders' equity/(deficiency)		128,869	(403,440)
Total liabilities and shareholders' equity/(deficiency)		\$ 991,749	\$ 470,993
Nature and continuance and operations and going concern	1		
Commitments and contingencies	11		

The accompanying notes form an integral part of these consolidated financial statements

SENSOR TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Unaudited - expressed in Canadian dollars)

		Three months ended June 30,		Six months ended June 30,	
	Note	2022	2021	2022	2021
Licensing fee	14	\$ 90,613	\$ -	\$ 90,613	\$ -
Interest income		450	800	900	1,600
Total revenue		91,063	800	91,513	1,600
Expenses					
Exploration expenses	12	(14,106)	(4,518)	(16,882)	(10,550)
Office and general	13	(27,796)	(25,345)	(48,672)	(53,906)
Total expenses		\$ (41,902)	\$ (29,863)	\$ (65,554)	\$ (64,456)
Income (loss) before undernoted		49,161	(29,063)	25,959	(62,856)
Finance costs		(1,250)	(67,551)	(4,760)	(95,309)
Gain on foreign exchange		1,058	471	1,538	956
Net income (loss) for the period		48,969	(96,143)	22,737	(157,209)
Net income (loss) of subsidiary held for sale for the period	2	(8,229)	13,237	(18,882)	6,140
		40,740	(82,906)	3,855	(151,069)
Other comprehensive (loss) for the period					
Exchange differences on translation of foreign operations		(1,074)	(70)	(1,546)	(150)
Total comprehensive income (loss) for the period		\$ 39,666	\$ (82,976)	\$ 2,309	\$ (151,219)
Weighted average shares outstanding - basic and diluted	6	237,551,215	167,134,129	237,377,455	162,663,441
Income (loss) per common share based on net income (loss) for the period	6	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.00)

The accompanying notes form an integral part of these consolidated financial statements

SENSOR TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Unaudited - expressed in Canadian dollars)

	Share Capital		Equity Portion of Convertible Debentures	Warrants	Accumulated Other Comprehensive (Loss)	Deficit	Total Equity (Deficiency)
	Number	Amount					
Balance, December 31, 2020	150,234,129	\$3,209,272	\$ 10,890	\$ -	(400)	\$ (5,439,324)	\$ (2,219,562)
Net loss for the period	-	-	-	-	-	(151,069)	(151,069)
Shares issued on conversion of convertible debentures	14,500,000	497,000	-	-	-	-	497,000
Equity portion of convertible debentures transferred to common stock on conversion of debentures	-	10,890	(10,890)	-	-	-	-
Shares issued on conversion of advances	2,400,000	48,000	-	-	-	-	48,000
Exchange differences on translation of foreign operations	-	-	-	-	(150)	-	(150)
Balance, June 30, 2021	167,134,129	\$3,765,162	\$ -	\$ -	(550)	\$ (5,590,393)	\$ (1,825,781)
Balance, December 31, 2021	237,201,764	\$5,166,515	\$ -	\$ -	(446)	\$ (5,569,509)	\$ (403,440)
Net income for the period	-	-	-	-	-	3,855	3,855
Shares issued	10,600,000	472,471	-	-	-	-	472,471
Warrants issued	-	-	-	57,529	-	-	57,529
Exchange differences on translation of foreign operations	-	-	-	-	(1,546)	-	(1,546)
Balance, June 30, 2022	247,801,764	\$5,638,986	\$ -	\$ 57,529	(1,992)	\$ (5,565,654)	\$ 128,869

The accompanying notes form an integral part of these consolidated financial statements

SENSOR TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Unaudited - expressed in Canadian dollars)

	Six months ended June 30,	
	2022	2021
Cash flows generated from (used in) operating activities		
Net income (loss) for the period	\$ 3,855	\$ (151,069)
(Income) loss from subsidiary held for income	18,882	(6,140)
Accrued interest on advances	4,760	30,451
Accrued interest on debentures	-	15,538
Accretion on debentures	-	49,320
	27,497	(61,900)
Changes in non-cash working capital balances		
Trade and other accounts receivable	(2,936)	(3,441)
Prepaid expenses	6,438	6,416
Accounts payable and accrued liabilities	(16,312)	(9,225)
	14,687	(68,150)
Cash flows generated from (used in) operating activities		
Cash flows (used in) investing activities		
Increase in deposits	(901)	(1,600)
	(901)	(1,600)
Cash flows from financing activities		
Proceeds from private placement	530,000	-
Proceeds from advances	-	10,055
Proceeds from CERB loan	-	60,000
	530,000	70,055
Cash flows from financing activities		
Net change in cash	543,786	305
Effect of changes in foreign exchange rate	(1,546)	(150)
Cash, beginning of the period	11,035	2,328
	\$ 553,275	\$ 2,483
Cash, end of the period		
Supplemental Information		
Non-cash financing and investing activities		
Issuance of common shares and warrants - private placement	\$ 530,000	\$ -
Issuance of common shares - conversion of debenture	\$ -	\$ 497,000
Issuance of common shares - conversion of advances	\$ -	\$ 48,000

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SENSOR TECHNOLOGIES CORP.
NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Unaudited - expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERNS

Sensor Technologies Corp. (the "Company" or "STC" or "Sensor") is continued under the Business Corporations Act (Ontario). The Company's principal assets are oil and natural gas interests. The Company is domiciled in the province of Ontario and its head office is located at 196 Wildcat Rd., North York, Ontario, Canada. The Company trades on the Canadian Securities Exchange ("CSE") under the symbol "SENS".

The interim unaudited consolidated financial statements were approved for issue by the board of directors on August 29, 2022.

On December 1, 2019, the Company entered into share purchase agreement (the "Agreement") with an arm's length party with respect to the sale of 49% of the issued and outstanding securities in the capital of Sensor Technologies Inc, ("STI"), a wholly owned subsidiary of Sensor for \$158,080 with a right of first refusal to purchase another 26% of the issued and outstanding securities for \$10, subject to shareholder approval, within 5 years of the closing date.

These interim unaudited consolidated financial statements ("consolidated statements") include the accounts of the Company and its subsidiaries, Mooncor Energy Inc. ("Mooncor Energy"), an Alberta Corporation, Primary Petroleum Company U.S. Inc ("PPCUSA"), a Montana, USA Corporation, Primary Petroleum Company LLC ("PPCLLC"), a Montana, USA Corporation and AP Petroleum Company ("APLLC"), a Montana, USA Corporation. STI which was a subsidiary of Sensor is no longer consolidated as it is considered as investment in subsidiary held for sale. (See note 2).

The interim unaudited consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has a net income of \$3,855 for six months ended June 30, 2022, has a working capital deficiency in the amount of \$227,139 and has a deficit in the amount of \$5,565,654 as at June 30, 2022. Management estimates that the funds available as at June 30, 2022 will not be sufficient to meet the Company's potential capital and operating expenditures through to June 30, 2023. The Company will have to raise additional funds to continue operations. Although the Company has been successful in raising funds to date and during the six months ended June 30, 2022, the Company has raised gross proceeds of \$530,000 through a non-brokered private placement of 10,600,000 units., there can be no assurance that adequate funding will be available in the future, or available on terms acceptable to the Company. The challenges of securing requisite funding and the cumulative losses indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These interim unaudited consolidated statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

SENSOR TECHNOLOGIES CORP.
NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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2. INVESTMENT IN SUSIDIARY HELD FOR SALE

On December 1, 2019, the Company entered into share purchase agreement with an arm's length party with respect to the sale of 49% of the issued and outstanding securities in the capital of STI, a wholly owned subsidiary of Sensor for \$158,080 with a right of first refusal to purchase another 26% of the issued and outstanding securities for \$10, subject to shareholder approval, within 5 years of the closing date. Management expects that the sale of the further 26% interest will close within the current fiscal year and therefore as required under IFRS 5 has recorded this investment as a subsidiary held for sale and as such has deconsolidated the subsidiary. The only outstanding issue to complete this sale is shareholder approval which is expected, by management, to be a formality. After that point any income or loss of the subsidiary held for sale has been accounted for using the equity method of accounting where the Company recognizes its share of income or losses of the company. The carrying value of investment in STI is \$69,873 on June 30, 2022 (December 31, 2021 - \$88,755) and is shown in the interim unaudited condensed consolidated statements of financial position as investment in subsidiary held for sale. During the six months ended June 30, 2022, the Company recognized \$18,882 as its share of the loss of STI (2021 – net income of \$6,140) in the interim unaudited condensed consolidated statements of loss and comprehensive loss.

3. BASIS OF PRESENTATION

Statement of Compliance

These interim unaudited consolidated statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim unaudited Financial Reporting Standard issued by the International Accounting Standards Board (“IASB”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

These interim unaudited consolidated statements as at and for the six months ended June 30, 2022 and 2021 should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2021 which were prepared in accordance with IFRS.

Changes in Accounting Policies

These interim unaudited consolidated statements follow the same accounting policies and methods of computation as those described in Note 4 of the annual consolidated financial statements as at and for the year ended December 31, 2021.

Future accounting pronouncements

There are currently no new accounting pronouncements effective for future dates that are expected to have a significant impact on the Company.

Basis of measurement

The interim unaudited consolidated statements have been prepared on the historical cost basis, except for certain financial assets which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The interim unaudited consolidated statements are presented in Canadian dollars, which is the parent’s functional and presentation currency. Each entity in the group determines its own functional currency. Management reviewed the primary and secondary indicators in IAS 21, The Effects of Changes in Foreign Exchange Rates, and determined that the functional currency for its USA subsidiaries is US dollars and for all other subsidiaries is Canadian dollars.

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NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Basis of consolidation

These interim unaudited consolidated financial statements include the accounts of the Company and its subsidiaries; Mooncor Energy, PPCUSA, PPCLLC and APLLC (collectively referred to as the “Company” or “Sensor”). Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The interim unaudited consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions. STI which was a subsidiary is no longer consolidated as it is considered as investment in subsidiary held for sale. (See note 2).

Critical accounting judgments, estimates and assumptions

The preparation of the interim unaudited consolidated statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim unaudited consolidated statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. The information about significant areas of estimation uncertainty and judgment considered by management in preparing the interim unaudited consolidated statements were the same as those in the preparation of the annual financial statements as at and for the year ended December 31, 2021.

4. OIL AND GAS PROPERTY INTERESTS

The Company has an interest in 2 suspended heavy oil wells and leases and related natural gas rights in the Lloydminster area of Alberta as at June 30, 2022 and December 31, 2021. The interests are carried at a nominal amount of \$1. In a prior year the Company had recognized an impairment in these assets.

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5. ADVANCES

	June 30 2022	December 31, 2021
Loan payable - 12% per annum, due on demand, owing to a former director of the Company, secured against the assets of the Company	122,983	115,979
Loan payable - 12% per annum, due on demand, owing to a former director of the Company, secured against the assets of the Company	-	336
Loan payable - 12% per annum, due on demand, owing to an arm's length third party, secured against the assets of the Company	-	241
Loan payable - 15% per annum, due on demand, owing to an arm's length third party	-	1,667
Total advances	\$ 122,983	\$ 118,223

6. SHAREHOLDERS' EQUITY

Capital Stock

At June 30, 2022 and December 31, 2021, the authorized share capital comprised an unlimited number of common shares with no par value.

	# of Common Shares	Amount
Balance, December 31, 2020	150,234,129	\$ 3,209,272
Shares issued on conversion of debentures	20,434,950	615,699
Shares issued on conversion of advances	26,526,354	530,527
Shares issued on conversion of accounts payable	40,006,331	800,127
Equity portion of convertible debentures transferred to common stock on conversion of debentures	-	10,890
Balance, December 31, 2021	237,201,764	\$ 5,166,515
Shares issued pursuant to private placement (i)	10,600,000	472,471
Balance, June 30, 2022	247,801,764	\$ 5,638,986

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- (i) In June 2022, the Company raised gross proceeds of \$530,000 through a non-brokered private placement of 10,600,000 units (the "Units") of the Company at a price of \$0.05 per Unit. Each Unit consists of one common share and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one common share at a price of \$0.08 per share for a period of two years to June 27, 2024.

The value of the warrants issued as part of this financing was \$57,529. The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions: expected term of 2 years, a risk-free rate of 3.17%, expected dividend yield of 0% and an expected volatility of 181%. The expected volatility is based on the historical volatility of the Company's share price over the life of the warrants. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that the warrants are expected to be outstanding based on historical warrants issued.

Stock options

On July 26, 2011, the shareholders of the Company approved a stock option plan (the "Plan") to enable directors, officers, employees and consultants of the Company to purchase common shares. All options granted under the Plan in 2011 expired unexercised during the year ended December 31, 2021. No options were granted during the six months ended June 30, 2022.

Basic and diluted loss per share based on loss for the period

Basic and diluted loss per share based on loss for six months ended June 30, 2022 and 2021 are:

Numerator:	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net income (loss) for the period	\$ 40,740	\$ (82,906)	\$ 3,855	\$ (151,069)
Denominator:	2022	2021	2022	2021
Weighted average number of common shares outstanding - basic and diluted (i)	237,551,215	167,134,129	237,377,455	162,663,411
Income (loss) per common share based on net income (loss) for the period:				
Basic and diluted	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.00)

The determination of the weighted average number of common shares outstanding – diluted excludes 719,113 shares related to warrants outstanding that were anti-dilutive for the six months ended June 30, 2022 (2021 – 7,042).

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7. RECLAMATION AND DECOMMISSIONING OBLIGATION

As at June 30, 2022 and December 31, 2021, the Company has provided \$367,776 for the estimated future cost of reclamation and abandonment work on its oil and gas leases relating to the Lloydminster property in Alberta using the estimate of the Alberta Energy Regulators.

8. DEBENTURES

Balance, December 31, 2020	\$	548,941
Accrued interest		17,438
Accretion		49,320
Conversion of debentures into shares		(615,699)
Balance, June 30, 2022 and December 31, 2021	\$	-

On July 1, 2018, Fox-Tek issued unsecured convertible debentures of \$2,800,000 to its parent company to cover part of its inter-company balance. The debentures bear interest at a rate of 12% per annum payable monthly till maturity on June 30, 2021. All or any part of the principal of the debenture can be converted into common shares by the holder at a conversion price of \$0.20 per share.

Management used the residual method to allocate the fair value of the conversion options. Management calculated the fair value of the liability component as \$2,608,209 using a discount rate of 15%, and then management deducted the fair value of the liability component from the fair value of the convertible debenture as a whole, with the resulting residual amount of \$191,791 being the fair value of the equity component.

On August 1, 2018, Media (formerly Intella) assigned \$1,010,000 of the convertible debentures to a third party, Lakeshore Capital Management Inc. ("Lakeshore"). On November 16, 2018, Lakeshore converted the debenture and interest accrued to September 30, 2018 (\$1,029,918) to common shares at the conversion price of \$0.20 per share.

In February 2019, the conversion price of the convertible debenture issued to Media in the aggregate amount of \$1,853,852 with accrued interest was amended from \$0.20 per common share to \$0.05 per common share. Interest on the debenture will continue to accrue at an annual rate of 12%, subject to adjustments, until redeemed or converted in accordance with the terms of the debenture

In the year ended December 31, 2019, \$650,000 of the convertible debentures were converted into 13,000,000 shares at a conversion price of \$0.05 per common share.

On November 8, 2019 Media transferred the convertible debentures to 2725004 Ont. as part of an asset purchase agreement between the two companies. On 29 November 2020, STC and 2725004 Ont. exchanged \$200,000 of the convertible debentures with a BDC loan of \$158,080 owed by 2725004 Ont.

In the year ended December 31, 2020, \$790,000 of the convertible debentures were converted into 79,000,000 common stock at a conversion price of \$0.01 per common stock.

In the year ended December 31, 2021, \$615,699 convertible debentures were converted into common shares of which \$345,000 was converted into 6,900,000 common shares at a conversion price of \$0.05 per common share and \$270,699 was converted into 13,534,950 common shares at a conversion price of \$0.02 per common share.

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On December 31, 2021 and June 30, 2022, the amount of the convertible debentures was \$nil. For the six months ended June 30, 2022, accrued interest of \$nil (2021 - \$15,538) and \$nil for accretion (2021 - \$49,320) were included in financial costs in the interim unaudited consolidated statements of loss and comprehensive loss.

9. CANADA EMERGENCY RESPONSE BENEFIT (“CERB”) LOAN

As at June 30, 2022 and December 31, 2021, the Company has a loan under the CERB program from TD Canada Trust for an amount of \$60,000 for a 58 month period to December 31, 2025. The loan is non-interest bearing until December 31, 2023 and subsequently will bear interest of 5% per annum calculated monthly. If \$40,000 of the loan amount is repaid on or prior to December 31, 2023, the Government will forgive the remaining balance of the loan amount as of that date provided that an event of default has not occurred.

10. RELATED PARTY TRANSACTIONS

Related parties include Board of Directors, close family members, key management personnel, enterprises and others who exercise significant influence over the reporting entity. All amounts owing to related parties are unsecured, non-interest bearing and due on demand unless otherwise noted.

- a) At June 30, 2022 and December 31, 2021, \$14,950 has been included in accounts payable for Jay Vieira, the CEO of the Company for professional expenses and disbursements.
- b) On June 30, 2022 and December 31, 2021, the amount of convertible debentures was \$nil. During the six months ended June 30, 2022 \$nil of convertible debentures owing to 2725004 Ont. were converted into shares (2021 - \$497,000 of convertible debentures were converted into 14,500,000 shares).
- c) Included in financing costs for the six months ended June 30, 2022 is \$nil (2021 - \$64,858) due to 2725004 Ont. for interest accrued and accretion on the convertible debentures.

Key management compensation

There were no compensation of key management of the Company for the six months ended June 30, 2022 and 2021. Key management are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company.

11. COMMITMENTS & CONTINGENCIES

Gross overriding royalties

In addition to the gross overriding royalty (“GORR”) agreements entered into in connection with the various oil and gas projects undertaken as disclosed in Note 4, the Company has entered into the following GORR agreement:

As part of the purchase of a database of technical information for the Lloydminster property, the Company entered into a GORR agreement with the vendor. Pursuant to the agreement, the Company has committed to pay royalties equal to 3% on all production from the lands included in the database.

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Deposits

The Company is liable to undertake reclamation and abandonment work on its leases. On June 30, 2022 the Company has lodged deposits of \$346,134 (December 31, 2021 - \$345,233) with the Alberta Energy Resource Conservation Board (“AERCB”) as required by legislation.

Legal Claims

In the ordinary course of business activities, the Company is a party in certain litigation and other claims. Management believes that the resolution of such litigation and claims will not have a material effect on the consolidated financial position of the Company.

Environmental Contingencies

The Company’s exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believe its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

12. EXPLORATION EXPENSES

The exploration costs during the six months ended June 30, 2022 and 2021 were as follows:

	Three months ended June 30,		Six months ended June 30	
	2022	2021	2022	2021
Annual lease renewal costs	\$ 8,878	\$ 4,518	\$ 11,153	\$ 9,582
Land management	103	-	604	968
Others	5,125	-	5,125	-
	\$ 14,106	\$ 4,518	\$ 16,882	\$ 10,550

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13. OFFICE AND GENERAL EXPENSES

The office and general expenses during the six months ended June 30, 2022 and 2021 were as follows:

	Three months ended June 30,		Six months ended June 30	
	2022	2021	2022	2021
Accounting services	\$ 10,000	\$ 10,000	\$ 20,000	\$ 20,000
Rent expense	600	1,800	1,200	3,600
Telephone expense	474	441	821	772
Professional fees and disbursements	5,435	5,000	8,098	10,183
Insurance	3,800	3,800	7,600	7,600
Corporate services	7,415	4,258	10,857	11,673
Others	72	46	96	78
	\$ 27,796	\$ 25,345	\$ 48,672	\$ 53,906

14. LICENSING FEE

During the six months ended June 30, 2022, the Company and one of its joint venture partners, Oxy USA Inc. (“Oxy”) – jointly the licensor (“Licensor”) entered into a non-exclusive seismic data use license agreement (“Agreement”) with Twin Bridges Resources LLC (“Licensee”) for 14.58 Square miles out of 120 square miles of proprietary 3D seismic. Subject to the terms and conditions of this Agreement, the licensor granted to the licensee a non-exclusive, non-transferable, paid up license to use the licensor’s seismic data for a term of 25 years. In return, the licensee agreed to pay a gross sum of US\$116,640 to the licensor. The Company owns 67.5% of the seismic data being licensed while Oxy owns 32.5%. The Company’s share of the licensing fee is Canadian \$90,613. The Company has engaged American Geophysical Corporation to actively market the Company’s proprietary 3D seismic in Pondera and Teton Counties in Northwestern Montana. The goal of the Company is to license its 3D Seismic, leading to future opportunities for potential joint ventures, partnerships or farm in agreements.

15. CAPITAL DISCLOSURES

The Company’s objectives when managing capital are as follows:

- a. To safeguard the Company’s ability to continue as a going concern.
- b. To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties.
- c. To raise sufficient capital to meet its general and administrative expenditures.

The Company considers its capital to be equity, which comprises capital stock, warrants, accumulated other comprehensive income and deficit, which at June 30, 2022 was an equity of \$128,869 (December 31, 2021 – deficiency of \$403,440).

The Company manages its capital structure and makes adjustments to it based on general economic conditions, short term working capital requirements, and planned exploration and development. The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets’ underlying assumptions as necessary. There have been no changes in the way the Company manages its capital during the six months ended June 30, 2022 and year ended December 31, 2021.

16. RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions in relation to the Company's activities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant price, credit, liquidity, interest or foreign exchange risks arising from the financial instruments. There were no changes to the Company's risks, objectives, policies and procedures during the six months ended June 30, 2022 and year ended December 31, 2021.

Trade and other accounts receivable

Trade and other accounts receivable consists primarily of HST receivable from the government of Canada. As such risk on non-collection is considered low.

Cash

Cash consist of bank balances and petty cash. As at June 30, 2022, the Company had cash of \$553,275 (December 31, 2021- \$11,035) and does not expect any counterparties to fail to meet their obligations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Presently, the Company's only interest bearing liability is the advance. As this bears a fixed rate of interest, interest rate risk is considered low.

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Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses which may damage the Company's reputation.

The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash is always available to settle financial liabilities. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The following items are the contractual maturities of financial liabilities:

June 30, 2021	Carrying amount	Contractual cash flows	0 to 12 months	After 12 months
Accounts payable and accrued liabilities	\$ 312,121	\$ 312,121	\$ 312,121	\$ -
CERB loan	\$ 60,000	\$ 60,000	\$ -	\$ 60,000
Advances	122,983	122,983	122,983	-
Reclamation and decommissioning liabilities	367,776	367,776	367,776	-
	\$ 862,880	\$ 862,880	\$ 802,880	\$ 60,000

December 31, 2021	Carrying amount	Contractual cash flows	0 to 12 months	After 12 months
Accounts payable and accrued liabilities	\$ 328,434	\$ 328,434	\$ 328,434	\$ -
CERB loan	\$ 60,000	\$ 60,000	\$ -	\$ 60,000
Advances	118,223	118,223	118,223	-
Reclamation and decommissioning liabilities	367,776	367,776	367,776	-
	\$ 874,433	\$ 874,433	\$ 814,433	\$ 60,000

Foreign exchange

The Company operates primarily in Canada and the United States. The presentation currency is Canadian dollar and the functional currency of the parent company is the Canadian dollar. As at June 30, 2022 and December 31, 2021, the Company's US dollar net monetary assets totaled \$640. Accordingly, a 5% change in the US dollar exchange rate as at June 30, 2022 on this amount would have resulted in an exchange gain or loss and therefore net income would have increased (decreased) by \$32.

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Other risks

The Company's financial condition, results of operation and business are subject to certain risks, which may negatively affect them.

a. Exploration and Development

The business of exploring for, developing and producing oil and gas involves a high degree of risk. Oil and gas reserves may never be found or, if discovered, may not be result in production at reasonable costs or profitability. The business of exploring, developing and producing is also capital intensive and, to the extent that cash flows from operating activities and external sources become limited or unavailable, the ability of the Company and of its operating partners to meet their respective financial obligations which are necessary to maintain their interests in the underlying properties could be impaired, resulting in those of the interests.

b. COVID 19

In March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID 19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID 19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

c. Environmental

The Company's oil and gas operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased costs, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests which are presently unknown to the Company and which have been caused by previous or existing owners or operators of the properties or by illegal mining activities.

d. Fluctuations in Crude Oil, Natural Gas, and Natural Gas Liquid Prices

The price of the Company's common shares, and consolidated financial results and exploration, development and other oil and gas activities may in the future be significantly and adversely affected by declines in the price of crude oil, natural gas, and/or natural gas liquid (collectively "oil and gas"). The price of oil and gas fluctuates widely and is affected by numerous factors beyond the Company's control, such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the US dollar and foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major oil and gas producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future material price declines could cause continued development of and commercial production from the properties in which the Company holds an interest to be impracticable. Depending on the price of oil and gas, cash flow from the Company's operations may not be sufficient and the Company could be forced to discontinue production and may lose the Company's interest in, or may be forced to sell, some of the Company's properties. Future production from the Company's properties is dependent upon the price of oil and gas being adequate to make these properties economic.

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e. Dependence on management

The Company is dependent upon the efforts, skill and business contacts of key members of management, for among other things, during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, the Company's success will depend upon the continued service of these individuals who are not obligated to remain employed with the Company. A loss of key personnel - members of management in particular - could impair our ability to execute our strategy and implement our operational objectives, all of which would have a material adverse effect on the Company.

f. Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments.

17. SEGMENTED INFORMATION

The Company's reportable segments are strategic business units that offer different services and/or products. They are managed separately because each segment requires different strategies and involves different aspects of management expertise. The Company has decided to disclose the segment results of the oil and gas companies and corporate operations - MEI, PPI, PPC and APPC are oil & gas companies

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company carries out its operations through wholly-owned entities. These entities are located in Canada and the United States.

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For six months ended June 30, 2022

		Oil and Gas Operations		Corporate Operations		Total
Licensing fee	\$	90,613	\$	-	\$	90,613
Interest income		900		-		900
Total revenue	\$	91,513	\$	-	\$	91,513
Expenses						
Exploration expenses		(16,882)		-		(16,882)
Office and general		-		(48,672)		(48,672)
Total expenses	\$	(16,882)	\$	(48,672)	\$	(65,554)
Income (loss) before undemoted		74,631		(48,672)		25,959
Finance costs		-		(4,760)		(4,760)
Income on foreign exchange		989		549		1,538
Net income (loss) for the period		75,620		(52,883)		22,737
Net (loss) of subsidiary held for sale		-		(18,882)	\$	(18,882)
Total income (loss) for the period	\$	75,620	\$	(71,765)	\$	3,855
Other comprehensive (loss) for the period						
Exchange differences on translation of foreign operations		(1,546)		-		(1,546)
Total comprehensive income (loss) for the period	\$	74,074	\$	(71,765)	\$	2,309
As at June 30, 2022						
Total assets	\$	360,393	\$	631,356	\$	991,749

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For six months ended June 30, 2021

	Oil and Gas Operations	Corporate Operations	Total
Interest income	\$ 1,600	\$ -	\$ 1,600
Total revenue	\$ 1,600	\$ -	\$ 1,600
Expenses			
Exploration expenses	(10,550)	-	(10,550)
Office and general	-	(53,906)	(53,906)
Total expenses	\$ (10,550)	\$ (53,906)	\$ (64,456)
(Loss) before undernoted	(8,950)	(53,906)	(62,856)
Finance costs	-	(95,309)	(95,309)
Gain on foreign exchange	1,847	(891)	956
Net (loss) for the period	(7,103)	(150,106)	(157,209)
Net income of subsidiary held for sale	-	6,140	6,140
Total (loss) for the period	\$ (7,103)	\$ (143,966)	\$ (151,069)
Other comprehensive (loss) for the period			
Exchange differences on translation of foreign operations	(150)	-	(150)
Total comprehensive (loss) for the period	\$ (7,253)	\$ (143,966)	\$ (151,219)
As at June 30, 2021			
Total assets	\$ 346,264	\$ 119,085	\$ 465,349

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For three months ended June 30, 2022

		Oil and Gas Operations		Corporate Operations		Total
Licensing fee	\$	90,613	\$	-	\$	90,613
Interest income		450		-		450
Total revenue		91,063		-		91,063
Expenses						
Exploration expenses		(14,106)		-		(14,106)
Office and general		-		(27,796)		(27,796)
Total expenses	\$	(14,106)	\$	(27,796)	\$	(41,902)
Income (loss) before undemoted		76,957		(27,796)		49,161
Finance costs		-		(1,250)		(1,250)
Income (loss) on foreign exchange		(183)		1,241		1,058
Net income (loss) for the period		76,774		(27,805)		48,969
Net loss of discontinued operations		-		(8,229)		(8,229)
Total income (loss) for the period		76,774		(36,034)		40,740
Other comprehensive income for the period						
Exchange differences on translation of foreign operations		(1,074)		-		(1,074)
Total comprehensive income (loss) for the period	\$	75,700	\$	(36,034)	\$	39,666
As at June 30, 2022						
Total assets	\$	360,393	\$	631,356	\$	991,749

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For three months ended June 30, 2021

		Oil and Gas Operations		Corporate Operations		Total
Interest income	\$	800	\$	-	\$	800
Total revenue		800		-		800
Expenses						
Exploration expenses		(4,518)		-		(4,518)
Office and general		-		(25,345)		(25,345)
Total expenses	\$	(4,518)	\$	(25,345)	\$	(29,863)
(Loss) before undernoted		(3,718)		(25,345)		(29,063)
Finance costs		-		(67,551)		(67,551)
Income (loss) on foreign exchange		(315)		786		471
Net (loss) for the period		(4,033)		(92,110)		(96,143)
Net income of discontinued operations		-		13,237		13,237
Total (loss) for the period		(4,033)		(78,873)		(82,906)
Other comprehensive (loss) for the period						
Exchange differences on translation of foreign operations		(70)		-		(70)
Total comprehensive (loss) for the period	\$	(4,103)	\$	(78,873)	\$	(82,976)
As at June 30, 2021						
Total assets	\$	346,264	\$	119,085	\$	465,349

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18. BUSINESS DEVELOPMENTS

a) Non-binding letter of intent with Robotic StemCell BioTech Ltd. ("Robotic")

The Company has agreed to acquire all of the issued and outstanding securities of Robotic, an arm's length company, pursuant to a non-binding letter of intent dated November 24, 2021. The purchase price for the Robotic shares will be determined by the parties upon the completion of the Company's due diligence. The purchase price shall be satisfied through the issuance of common shares in the capital of the Company at a price to be determined in the context of the market. The acquisition of the Robotic is subject to requisite shareholder and regulatory approval, including the approval of the CSE and standard closing conditions, including the completion of due diligence investigations to the satisfaction of each of both companies. Prior to completion of the Robotic transaction, both companies shall negotiate and enter into a definitive share exchange agreement on commercially reasonable terms and the parties shall have obtain the requisite shareholder approvals for the Robotic transaction.

b) Non-binding letter of intent with Blockchain Assets Management Group Limited ("BAM")

The Company has agreed to acquire up to 20% of the issued and outstanding securities in the capital of BAM, an arm's length company, for a purchase price of up to \$1 million pursuant to a non-binding letter of intent dated November 25, 2021. The final BAM purchase price will be determined by the companies upon the completion of the Company's due diligence. The BAM purchase price may be satisfied either through (i) cash consideration paid on the closing of the acquisition of the BAM Shares; (ii) the issuance of common shares in the capital of the Company at a price to be determined in the context of the market; or (iii) a combination of cash consideration and issuance of shares. The acquisition of the BAM shares is subject to requisite shareholder and regulatory approval, including the approval of the CSE and standard closing conditions, including the completion of due diligence investigations to the satisfaction of each of the companies. Prior to completion of the BAM Transaction, both companies shall negotiate and enter into a definitive share exchange agreement on commercially reasonable terms and the parties shall have obtain the requisite shareholder approvals for the BAM transaction.

c) EmersonGrow

The Company has terminated the previously reported letter of intent with EmersonGrow Technology Inc. in December 2021.