INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2021 and 2020

(Expressed in Canadian Dollars)

PLYMOUTH ROCK TECHNOLOGIES INC.
(FORMERLY ALEXANDRA CAPITAL CORP.)
(the “Company”)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended February 28, 2021

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Management of the Company is responsible for the preparation of the accompanying unaudited interim condensed consolidated financial statements. The unaudited interim condensed consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) for the preparation of interim condensed financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

PLYMOUTH ROCK TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note	Unaudited **February 28, 2021**	Audited November 30, 2020
ASSETS			
Current assets			
Cash		**$ 1,589,152**	$ 24,713
Accounts receivable		**9,931**	2,786
Sales tax receivable		**4,327**	4,317
Inventories		**12,361**	19,695
Prepaid expenses	3	**16,089**	25,908
Due from related parties	7	**-**	2,500
Total current assets		**1,631,860**	79,919
Non-current assets			
Equipment	4	**97,258**	66,818
Right of use asset	14	**99,173**	114,648
Total assets		**$ 1,828,291**	$ 261,385
LIABILITIES			
Current liabilities			
Accounts payable	6	**$ 288,316**	$ 242,278
Lease liability	14	**33,356**	34,105
Due to related parties	7	**51,032**	46,355
Total current liabilities		**372,704**	322,738
Non-current liabilities			
Lease liability	14	**75,503**	90,735
Total liabilities		**448,207**	413,473
SHAREHOLDERS' EQUITY			
Share capital	7, 10	**9,632,180**	7,376,763
Contributed surplus		**1,858,642**	1,298,487
Accumulated other comprehensive losses		**70,075**	65,790
Deficit		**(10,180,813)**	(8,893,128)
Total shareholders' equity (deficit)		**1,380,084**	(152,088)
Total liabilities and shareholders' equity (deficit)		**$ 1,828,291**	$ 261,385

Going concern – Note 1
Commitments – Note 13
Subsequent events – Note 17

These consolidated financial statements are authorized for issuance by the Board of Directors on April 27, 2021.
Approved on behalf of the Board:

"Tim Crowhurst"
Tim Crowhurst, Director

"Angelos Kostopoulos"
Angelos Kostopoulos, Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

PLYMOUTH ROCK TECHNOLOGIES INC.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	Note	Three Months Ending February 28 2021	2020	2019
Sales	16	**$ 19,598**	$ 405	$ -
Cost of sales		**17,352**	40	-
Gross Profit		**2,246**	365	-
OPERATING EXPENSES				
General and administrative	15	**968,351**	428,943	317,080
Selling	15	**135,950**	366,924	80,517
Research and development	15	**177,615**	70,487	-
Total expenses		**1,281,916**	866,354	397,597
OTHER INCOME (EXPENSES)				
Interest income		**-**	151	6,153
Interest expense		**-**	-	(388)
Foreign exchange gain (loss)		**(8,015)**	17,902	(2,581)
NET LOSS		**(1,287,685)**	(847,936)	(394,413)
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation Gain /(loss)		**4,285**	22,852	-
TOTAL COMPREHENSIVE LOSS		**$ (1,283,400)**	$ (825,084)	$ (394,413)
LOSS PER SHARE, Basic and Diluted		**$ (0.03)**	$ (0.03)	$ (0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Basic and Diluted		**46,206,106**	32,796,600	23,874,477

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

(Unaudited - Expressed in Canadian dollars)

	Share capital (Note 10)							
	Number of shares	Amount	Shares to be issued (Note 14)	Subscriptions received	Contributed Surplus	Deficit	Accumulated other comprehensive losses	Total
Balance, November 30, 2018	31,761,300	$ 5,311,034	$ -		$ 185,024	$ (1,602,085)	$ -	$ 3,893,973
Net loss for the period	-	-	-		-	(394,413)	-	(394,413)
Balance, February 28, 2019	31,761,300	5,311,034	-	-	185,024	(1,996,498)	-	$35,260,860
Balance, November 30, 2019	32,796,600	$ 5,676,498	$ 22,811	$ -	$ 736,271	$ (5,968,892)	$ 46,244	$ 512,932
Net loss for the period	-	-	-	-	-	(777,449)	-	(777,449)
Subscription received	-	-	-	117,466	-	-	-	117,466
Stock-based compensation	-	-	-	-	196,543	-	-	196,543
Foreign currency translation gain	-	-	-	-	-	-	(22,852)	(22,852)
Balance, February 29, 2020	32,796,600	$ 5,676,498	$ 22,811	$ 117,466	$ 932,814	$ (6,746,341)	$ 23,392	$ 26,640
Balance, November 30, 2020	42,762,264	$ 7,376,763	$ -	$ -	$ 1,298,487	$ (8,893,128)	$ 65,790	$ (152,088)
Net loss for the period	-	-	-	-	-	(1,287,685)	-	(1,287,685)
Foreign currency translation gain	-	-	-	-	-	-	4,285	4,285
Shares issued for warrants exercised	5,745,332	1,236,666	-	-	-	-	-	1,236,666
Fair value of warrants exercised	-	35,040	-	-	(35,040)	-	-	-
Shares issued for options exercised	425,000	222,500	-	-	-	-	-	222,500
Fair value of options exercised	-	158,106	-	-	(158,106)	-	-	-
Private placements	3,180,000	670,000	-	-	-	-	-	670,000
Fair value of broker warrants granted	-	(95,395)	-	-	95,395	-	-	-
Shares issued to finders	170,000	(34,000)	-	-	-	-	-	(34,000)
Shares issued as compensation	250,000	62,500	-	-	-	-	-	62,500
Stock-based compensation	-	-	-	-	657,906	-	-	657,906
Balance, February 28, 2021	**52,532,596**	**$ 9,632,180**	**$ -**	**$ -**	**$ 1,858,642**	**$(10,180,813)**	**$ 70,075**	**$ 1,380,084**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

PLYMOUTH ROCK TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended		
	February 28, 2021	**February 29, 2020**	**February 28, 2019**
Cash Provided By (Used In)			
Operating Activities			
Net loss for the period	**$ (1,287,685)**	$ (847,936)	$ (394,413)
Items not affecting cash:			
Acquisition costs	**-**	196,543	-
Stock based compensation	**657,906**	-	-
Amortization expense	**9,562**	-	428
Foreign exchange gain (loss)	**4,285**	-	(2,439)
Interest accretion	**4,196**	-	-
Interest expense	**-**	429	388
Changes in non-cash working capital:			
Sales tax receivable	**(10)**	452	(2,768)
Accounts receivable	**(7,145)**	1,488	-
Inventories	**7,334**	-	-
Prepaid expenses	**9,819**	32,288	(211,787)
Due from related parties	**2,500**	25,070	1,789
Due to related parties	**4,677**	66	590
Accounts payable and accrued liabilities	**46,038**	(54,542)	11,281
Net cash used in operating activities	**(548,523)**	(646,142)	(596,931)
Investing Activities			
Purchase of equipment	**(40,002)**	-	(14,130)
Development expenses on Intangible assets	**-**	-	(42,957)
Net cash provided by (used in) investing activities	**(40,002)**	-	(57,087)
Financing Activities			
Common shares issued for cash, options and warrants exercised, net of share issuance costs	**2,157,666**	-	-
Subscription received, net of subscription receivable	**-**	117,466	-
Lease payments	**(15,981)**	-	-
Loan payable	**-**	-	(50,000)
Net cash provided by financing activities	**2,141,685**	117,466	(50,000)
Increase (decrease) in cash	**1,553,160**	(528,676)	(704,018)
Effect of foreign exchange rate changes on cash	**11,279**	(22,975)	-
Cash, beginning of the period	**24,713**	583,119	2,743,694
Cash, end of the period	**$ 1,589,152**	$ 31,468	$ 2,039,676

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Plymouth Rock Technologies Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on October 17, 2011. The head office, principal address and registered and records office of the Company are located at 206 – 1045 West 8th Avenue, Vancouver, B.C., V6H 1C3.

On March 10, 2016, the Company's common shares commenced trading on the CSE. On January 8, 2019, the Company's common shares commenced trading on the Frankfurt Stock Exchange in Germany under the Symbol: 4XA, WKN# - A2N8RH. Effective August 27, 2019, the Company's common shares commenced trading on the OTC Markets Group ("OTCQB") under the symbol: PLRTF.

On October 31, 2018, the Company completed its business acquisition of Plymouth Rock Technologies Inc. (Plymouth Rock USA) and changed its name from Alexandra Capital Corp. to Plymouth Rock Technologies Inc. with the new trading symbol "PRT" on November 1, 2018. As a result of the acquisition, the Company's principal business activity through its subsidiary, Plymouth Rock USA, was changed to focus on developing technologies related to remotely detecting assault firearms and suicide bombs concealed on the person or a carry bag. The Company focuses on detection methods with and without the need for a checkpoint of the suspect who is being screened. The Company's planned products encompass the very latest radar, imaging, and Unmanned Aerial System ("UAS") technologies for quickly detecting, locating and identifying the presence of threats and for search and rescue missions for law enforcement.

Going Concern

The Company incurred a net loss of $1,287,685 for the period ended February 28, 2021 (February 29, 2020 - $847,936; February 28, 2019 - $394,413). As at February 28, 2021, the Company had a history of losses and an accumulated deficit of $10,180,813 (February 28, 2020 - $6,816,828).

The ability of the Company to continue as a going concern is dependent on achieving profitable operations, commercializing its technologies, and obtaining the necessary financing in order to develop these technologies further. The outcome of these matters cannot be predicted at this time. The Company will continue to review the prospects of raising additional debt and equity financing to support its operations until such time that its operations become self-sustaining, to fund its research and development activities and to ensure the realization of its assets and discharge of its liabilities. While the Company is expending its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for future operations. These factors indicate that a material uncertainty exists that casts significant doubt on the Company's ability to continue as a going concern.

The Company is not expected to be profitable during the ensuing twelve months, and therefore, must rely on securing additional funds from either issuance of debt or equity financing for cash consideration. During the period ended February 28, 2021, the Company received net cash proceeds of $2,141,685 (February 29, 2020 – $117,466) pursuant to financing activities. Management has been successful in raising capital through periodic private placements of the Company's common shares in the past, however there is no certainty that financing will be available in the future, or certainty that management's planned actions to address this situation will be successful.

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future rather than a process of forced liquidation. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN (Continued)

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The expected impacts on global commerce are expected to be far reaching. Material uncertainties may come into existence that could influence management's going concern assumption. The duration and impact of the COVID-19 outbreak is currently unknown and 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 subsidiary, in future periods, such as:

- This will and has impacted demand and testing for the Company's products and services in the near term and will and has impacted the Company's supply chains.
- It may and has also impacted the availability of external funding sources during this period.
- the effect on labor availability due to the severity and the length of potential measures taken by governments to manage the spread of the disease.

Management continues to closely evaluate the impact of COVID-19 on the Company's business.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These interim condensed consolidated financial statements ("Financial Statements") have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standard Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, using accounting policies that the Company expects to adopt in its interim condensed consolidated financial statements for the period ended February 28, 2021. These interim condensed consolidated financial statements do not include all the information required for the annual consolidated financial statements and should be read in conjunction with the Company's most recent audited consolidated financial statements for the year ended November 30, 2020, which are available on www.sedar.com.

These Financial Statements are authorized for issue by the Board of Directors on April 27, 2021.

These Financial Statements have been prepared on the historical cost basis. In addition, these Financial Statements have been prepared using the accrual basis of accounting.

These Financial Statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency of Plymouth Rock USA is U.S. Dollars. The assets and liabilities of Plymouth Rock USA are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their income and expense items are translated at average exchange rates for the period. Exchange differences arising on the translation are recognized in other comprehensive income.

Significant accounting judgments, estimates and assumptions

The preparation of these Financial Statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of income and expenses during the period. Actual results could differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments, estimates and assumptions (continued)

Significant estimates used in preparing the Financial Statements include, but are not limited to the following:

(i) Deferred taxes

The calculation of deferred tax is based on the ability of the Company to generate future taxable income, the estimation of which is subject to significant uncertainty as to the amount and timing. The calculation of deferred tax is also based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude on non-capital losses available for carry forward and of the balances in various tax pools as the corporate tax returns have not been prepared as of the date of financial statement preparation.

(ii) Share-based payments

The fair value of stock options and finders' warrants issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the expected lift, volatility of share prices, risk-free rate and dividend yield, changes in subjective input assumptions can materially affect the fair value estimate.

(iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

At November 30, 2019, Management was unable to project cash flows that can be generated from its CGUs and consequently, the intangible assets acquired and the goodwill generated from a previously completed business acquisition were determined to be impaired, therefore an impairment loss of $1,572,552 was charged for the 2019 year end. No impairment loss was recorded during the period ended February 28, 2021.

Significant judgments used in the preparation of these Financial Statements include, but are not limited to the following:

(i) Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its Financial Statements for the period ended February 28, 2021. Management prepares the Financial Statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments, estimates and assumptions (continued)

(i) Going concern (continued)

In assessing whether the going concern assumption is appropriate, management accounts for all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

(ii) Business combinations

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. Based on an assessment of the relevant facts and circumstances, the Company concluded that the acquisition disclosed in Note 13 met the criteria for accounting as a business combination.

(iii) Intangible assets

Intangible assets can be capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. To determine if the future economic benefit is probable depends on the successful commercialization of its technologies and that in turn depends on the management's judgement and knowledge. As at February 28, 2021, the development costs are not capitalized as management was unable to demonstrate the future economic benefits to be generated from the utilization ofthe associated expenditures.

Cash

Cash consists of amounts held in banks and highly liquid investments with limited interest and credit risk.

Consolidation

The Financial Statements include the accounts of the Company and its wholly-owned subsidiary. All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions, have been eliminated. The Company's subsidiary is presented in the table below. Plymouth Rock USA was incorporated under the General Corporation Law of the State of Delaware on March 22, 2018.

Entity	Country of Incorporation	Effective Economic Interest
Plymouth Rock Technologies Inc. ("Plymouth Rock USA")	USA	100%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets that are reflected in the consolidated statements of financial position consist of assets acquired through business combinations. Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost). An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Accordingly, the Company does not amortize these intangible assets, but reviews them for impairment, annually or more frequently if events or changes in circumstances indicate that the assets might be impaired.

Development costs for internally-generated intangible assets are capitalized when all of the following conditions are met:

- technical feasibility can be demonstrated;
- management has the intention to complete the intangible asset and use it;
- management can demonstrate the ability to use the intangible asset;
- it is probable that the intangible asset will generate future economic benefits;
- the Company can demonstrate the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and
- costs attributable to the asset can be measured reliably.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditures are charged to the consolidated statements of loss and comprehensive loss in the period in which they are incurred.

Equipment

Recognition and measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing the items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment (Continued)

Depreciation

Half of the normal depreciation is taken in the year of acquisition for equipment with declining balance method. The depreciation rates applicable to each category of property and equipment are as follows:

Computer equipment	55% declining balance
Furniture	20% declining balance

Inventories

The Company values inventories at the lower of cost and net realizable value. Cost includes the costs of purchases net of vendor allowances plus other costs, such as transportation, that are directly incurred to bring the inventories to their present location and condition.

Business combinations

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

Share capital

The Company records proceeds from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated between the common share and warrant component. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. Management does not expect to record a value to the warrant in most equity issuances as unit private placements are commonly priced at market or at a permitted discount to market. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes option pricing model and recognized in equity as a deduction from the proceeds.

If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment

The Company recognizes share-based payment expense for the estimated fair value of equity-based instruments granted to both employees and non-employees. Compensation expense is recognized when the options are granted with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that accounts for the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk-free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Share-based payment calculations have no effect in the Company's cash position.

Share purchase warrants

The Company bifurcates units consisting of common shares and share purchase warrants using the residual value approach whereby it first measures the common share component of the unit at fair value using market prices as input values and then allocates any residual amount to the warrant component of the unit. The residual value of the warrant component is credited to reserves. When warrants are exercised, the corresponding residual value is transferred from reserves to share capital. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes option pricing model and recognized in equity as a deduction from the proceeds.

Earnings (loss) per share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are calculated using the treasury stock method. This method assumes that common shares are issued for the exercise of options, warrants and convertible securities and that the assumed proceeds from the exercise of options, warrants and convertible securities are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No exercise or conversion is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

Financial instruments

Financial assets

The Company recognizes financial assets when it becomes party to the contractual provisions of the

instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Subsequent to initial recognition, all financial assets are classified and subsequently measured at amortized cost. Interest income is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of cash, accounts receivable and due from related parties.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

The Company reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivable that do not contain a significant financing component. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains, and losses relating to a financial liability are recognized in profit or loss. Financial liabilities measured at amortized cost are comprised of accounts payable, lease liability, and due to related parties.

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Interest

Interest income and expense are recognized in profit or loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets.

The 'amortized cost' of a financial asset or financial liability is the amount at which the instrument is measured on initial recognition minus principal repayments, plus or minus any cumulative amortization using the effective interest method of any difference between the initial amount and maturity amount and adjusted for any expected credit loss allowance. The 'gross carrying amount' of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit losses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest (continued)

Interest income and expense is calculated by applying the effective interest rate to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or the amortized cost of the financial liability.

Where a financial asset has become credit-impaired subsequent to initial recognition, interest income is calculated in subsequent periods by applying the effective interest method to the amortized cost of the financial asset. If the asset subsequently ceases to be credit-impaired, calculation of interest income reverts to the gross basis.

Offsetting

Financial assets and financial liabilities are offset, with the net amount presented in the statement of financial position, when, and only when, the Company has a current and legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or when arising from a group of similar transactions if the resulting income and expenses are not material.

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. Separately recognized goodwill is tested for impairment on an annual basis or when there is an indication of impairment. Impairment losses on goodwill are not reversed.

Revenue recognition

Revenue is recognized by applying the five-step model under IFRS 15. The Company recognizes revenue when, or as the goods or services are transferred to the control of the customer and performance obligations are satisfied. The Company's revenue is comprised of sales of its radar systems, radar components and engineering design and development services. The Company's revenue is recognized when control of the goods has been transferred, being when the goods are delivered to customers and when all performance obligations have been fulfilled. The amounts recognized as revenue represent the fair values of the considerations received or receivable from third parties on the sales of goods to customers, net of goods and services taxes and less returns, and discounts, at which time there are no conditions for the payment to become due other than the passage of time. For its engineering design and development services, revenue is recognized when the service has been rendered.

Government Grants

Government grants are recognized at fair value once there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. A forgivable loan from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to equity items, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting profit (loss) nor taxable profit (loss); and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Parties are also considered to be related if they are subject to common control and related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Change in accounting policies

IFRS 16, Leases

The company adopted IFRS 16 effective December 1, 2019. IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. For leases where the Company is the lessee, it recognizes a right-of-use asset and a lease liability for its office premises leases previously classified as operating leases.

The Company chose to adopt the modified retrospective approach on transition to IFRS 16 and has chosen not to restate comparative information in accordance with the transitional provisions in IFRS 16. As a result, the comparative information continues to be presented in accordance with the Company’s previous accounting policies. The adoption of IFRS 16 resulted in the recognition of a right-of-use asset and a lease liability measured at the present value of the future lease payments on the consolidated statements of financial position. An amortization expense on the right-of-use asset and an interest expense on the lease liability has replaced the operating lease expense. IFRS 16 has changed the presentation of cash flows relating to leases in the Company’s consolidated statements of cash flows, however, it does not cause a difference in the amount of cash transferred between the parties of the lease. In accordance with the transition of IFRS 16, as at December 1, 2019 the Company recognized a right-of-use asset and lease liability of $152,864. When measuring lease liabilities, the Company’s incremental borrowing rate applied was 15% per annum.

(EXPRESSED IN CANADIAN DOLLARS)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting standards, amendments and interpretations not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC during the period but are not yet effective. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRIC 23 – Uncertainty over Income Tax Treatments **–** clarifies the accounting for uncertainties in income taxes. This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognize and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this Interpretation. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

These new and amended standards are not expected to have a material impact on the Company's Financial Statements.

3. PREPAID EXPENSES

As at February 28, 2021 and November 30, 2020, the Company's prepaid expenses consist of the following:

		February 28, 2021		November 30, 2020
Advertising and Promotions	**$**	**-**	$	9,494
Rent		**7,814**		10,993
Others		**8,275**		5,421
	$	**16,089**	$	25,908

(EXPRESSED IN CANADIAN DOLLARS)

4. EQUIPMENT

	Computer $	Furniture $	Demo equipment $	Total $
Cost:				
Balance at November 30, 2019	1,726	12,455	-	14,181
Additions	-	-	44,364	44,364
Foreign currency translation adjustment	(42)	(304)	13,154	12,808
Balance at November 30, 2020	1,684	12,151	57,518	71,353
Additions	-	-	32,385	32,385
Foreign currency translation adjustment	(36)	(262)	(1,242)	(1,540)
Balance at February 28, 2021	**1,648**	**11,889**	**88,661**	**102,198**
Accumulated Depreciation:				
Balance at November 30, 2019	473	1,244	-	1,717
Amortization	702	2,283	-	2,985
Foreign currency translation adjustment	(41)	(126)	-	(167)
Balance at November 30, 2020	1,134	3,401	-	4,535
Amortization	74	430		504
Foreign currency translation adjustment	(25)	(74)		(99)
Balance at February 28, 2021	**1,183**	**3,757**	**-**	**4,940**
Net Book Value:				
At November 30, 2020	550	8,750	57,518	66,818
At February 28, 2021	**465**	**8,132**	**88,661**	**97,258**

The Company's demo equipment is under construction as at February 28, 2021 and therefore, is not currently subject to depreciation.

(EXPRESSED IN CANADIAN DOLLARS)

5. INTANGIBLE ASSETS AND GOODWILL

The Company's intangible assets were composed of the assets acquired from the business acquisition of Plymouth Rock USA (Note 13). The Company is in the process of developing and commercializing the following intangible assets: (1) A Millimeter Remote Imaging from Airborne Drone ("Drone X1 System"); (2) A compact microwave radar system for scanning shoe's ("Shoe-Scanner"); and (3) Wi-Fi radar techniques for threat detection screening in Wi-Fi enabled zones in buildings and places, such as airports, shopping malls, schools and sports venues ("Wi-Ti"). These assets can remotely detect, locate and identify the presence of threats.

		Drone X1 System		Shoe-Scanner		Wi-Ti		Total
Balance at November 30, 2018	$	868,547	$	-	$	372,234	$	1,240,781
Additions		-		30,000		-		30,000
Impairment		(900,260)		(29,592)		(385,826)		(1,315,678)
Foreign currency translation adjustment		31,713		(408)		13,592		44,897
Balance at November 30, 2019 and February 28, 2021	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**

For impairment testing purpose, the Company identified that each intangible asset is a separate cash-generating unit ("CGU'). Management was unable to project cash flows that could be generated from each of the CGUs, and consequently an impairment loss to write-down the carrying amounts to $nil was recognized during the year ended November 30, 2019.

For impairment testing purposes, goodwill was allocated to the CGUs, and the entire goodwill balance was impaired during the year ended November 30, 2019 as management was unable to project cash flows that could be generated from each of the CGUs.

During the year ended November 30, 2019, the development costs of $399,720 were expensed as management was unable to demonstrate the future economic benefits to be generated from the utilization of the assets.

6. ACCOUNTS PAYABLE

As at February 28, 2021 and November 30, 2020, the Company's accounts payable consist of the following:

		February 28, 2021		November 30, 2020
Professional fees	**$**	**69,639**	$	74,178
Funds to be returned to investors		**43,046**		43,046
Advertising costs		**285**		5,164
Development costs		**117,908**		77,675
Others		**57,438**		42,215
	$	**288,316**	$	242,278

(EXPRESSED IN CANADIAN DOLLARS)

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management compensation

The amounts due to and from related parties are due to the directors and officers of the Company. The balances are unsecured, non-interest bearing and due on demand. These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management is comprised of directors and officers of the Company.

As at February 28, 2021, $51,032 (November 30, 2020 - $46,355) was due to directors and officers of the Company:

	February 28, 2021	November 30, 2020
Company controlled by CFO	**$ 9,365**	$ 3,865
CEO of the Company	**-**	823
Director	**41,667**	41,667
	$ 51,032	$ 46,355

As at February 28, 2021, $Nil (November 30, 2020 - $2,500) was due from directors and officers of the Company.

As at February 28, 2021, $Nil (November 30, 2020 - $Nil) prepayment had been made to the CEO of the Company pertaining to expenses to be incurred on behalf of the Company (Note 3).

During the period ended February 28, 2021, 2020 and 2019, the Company entered into the following transactions with related parties:

	February 28, 2021	February 29, 2020	February 28, 2019
Management fees	**$ 25,500**	$ 30,750	$ 31,624
Consulting fees	**62,500**	-	-
Accounting fees	**5,500**	4,500	3,157
Rent	**1,000**	-	-
Stock-based compensation	**254,151**	86,985	-
Salaries and benefits to CEO	**71,280**	77,062	79,878
	$ 419,931	$ 199,297	$ 114,659

During the period ended February 28, 2021, accounting fees of $5,500 (2020 – $4,500) and rent of $1,000 (2020 - $Nil) were paid or accrued to a Company controlled by the CFO.

Consulting fees of $62,500 (2020 – $Nil) were paid or accrued to a Director in common shares, representing December 2020, January 2021, and February 2021. Of this amount, $41,667 were outstanding at the end of the period.

During the period ended February 28, 2021, 250,000 shares valued at $62,500 were issued for consulting services to a director of the Company (Note 10) representing the period of October 1, 2020 to December 31, 2020.

(EXPRESSED IN CANADIAN DOLLARS)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Management fees consisted of the following:

		February 28, 2021		February 28, 2020		February 28, 2019
Company controlled by Corporate Secretary	**$**	**10,500**	$	15,750	$	16,624
Company controlled by CFO		**15,000**		15,000		15,000
	$	**25,500**	$	30,750	$	31,624

During the period ended February 28, 2021, the Company had 1,725,000 stock options held by the CEO, CFO, the Corporate Secretary, and the Company's directors. The amount recognized as expense for these options for the period ended February 28, 2021 is as follows:

	February 28, 2021			February 28, 2020		
	Number of options granted		**Expense for the period (vested)**	Number of options granted		Expense for the period (vested)
CEO	**600,000**	**$**	**83,077**	400,000	$	22,787
CFO	**150,000**		**20,769**	100,000		5,697
Corporate Secretary	**150,000**		**20,769**	100,000		5,697
Directors	**825,000**		**129,536**	750,000		52,805
	1,725,000	**$**	**254,151**	1,350,000	$	86,985

As at February 28, 2021, 3,275,000 options were vested, and stock-based compensation amounting to $657,906 was recognized in profit or loss ; of which $254,151 were for the Company's officers and directors as above (Note 10).

8. GOVERMENT ASSITANCE RECEIVED

On May 4, 2020, the Company received a CARES Act Paycheck Protection Program Loan ("PPP Loan") of USD$75,000. The PPP Loan bears interest at 1% per annum and is repayable monthly staring on December 4, 2020. The loan is forgivable if PRT USA meets the requirements outlined below.

i) The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 24-week period after the loan is made; and
ii) Employee and compensation levels are maintained. Payroll costs are capped at $100,000 on an annualized basis for each employee.

During the year ended November 30, 2020 it was determined that the Company met the requirements for loan forgiveness, therefore there was no loan recognized. As such, the PPP Loan was treated as a government grant and was offset against operating expenses on the consolidated statement of loss and comprehensive loss for the year ended November 30, 2020.

9. CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its projects and products; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets.

10. SHARE CAPITAL

(a) Common Shares

Authorized: Unlimited number of common shares without par value

As at February 28, 2021, there were 52,532,596 common shares issued and outstanding (November 30, 2020 – 42,762,264).

<u>During the period ended February 28, 2021:</u>

On January 29, 2021, the Company issued 3,180,000 Units at $0.20 per unit for proceeds of $636,000. Each unit comprised one common share and one full non-transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of $0.25 for five years The Company paid finders' fees in the amount of $10,480, issued 170,000 common shares, and issued 8% broker warrants in connection with some subscribers of the Offering.

During the period ended February 28, 2021, the Company issued 100,000 common shares pursuant to the exercise of 100,000 stock options at $0.60 per share and 325,000 common shares pursuant to the exercise of 325,000 stock options at $0.50 per share.

During the period ended February 28, 2021, the Company issued 5,745,332 common shares pursuant to the exercise of 5,745,332 share purchase warrants at $0.20 to $0.50 per share.

On December 31, 2020, the Company issued 250,000 common shares were issued as compensation for consulting fees to a director (Note 7) valued at a total of $62,500.

<u>During the year ended November 30, 2020:</u>

On September 30, 2020, the Company issued 50,000 common shares pursuant to the exercise of 50,000 share purchase warrants at $0.20 per share.

On September 30, 2020, the Company issued 250,000 common shares were issued as compensation for consulting fees to a director (Note 7) valued at a total of $62,500.

10. SHARE CAPITAL (continued)

(a) Common Shares (continued)

On September 30, 2020, the Company issued an aggregate of 1,335,165 units at a price of CDN$0.30 per unit for gross proceeds of $400,550. Each Unit consists of one common share and one-half of one non-transferable common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one additional common share at a price of $0.50 for two years until September 30, 2022. The fair value of the warrants is determined to be $40,055.

On September 30, 2020, the Company issued 50,000 units at a fair value of $22,811 pursuant to the binding agreement with Aerowave Corporation as described in Note 14. Each Unit consists of one common share and one-half of one non-transferable common share purchase warrant (a “Warrant”). Each whole Warrant entitles the holder to purchase one additional common share at a price of $0.50 for two years until September 30, 2022. The fair value of the warrants is determined to be $1,500.

On September 24, 2020, the Company issued 100,000 common shares pursuant to the exercise of 100,000 share purchase warrants at $0.20 per share.

On September 22, 2020, the Company issued 100,000 common shares pursuant to the exercise of 100,000 share purchase warrants at $0.20 per share.

On August 21, 2020, the Company issued 250,000 common shares were issued as compensation for consulting fees to a Director (Note 7) valued at a total of $62,500.

On August 13, 2020, the Company issued 483,334 common shares pursuant to the exercise of 483,334 share purchase warrants at $0.20 per share.

On July 3, 2020, the Company issued 500,000 common shares pursuant to the exercise of 500,000 share purchase warrants at $0.20 per share.

On May 15, 2020, the Company issued an aggregate of 3,718,831 units at a price of $0.15 per unit for gross proceeds of $557,825. Each unit consists of one common share in the capital of the Company and one whole transferable common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable to acquire one common share at an exercise price of $0.20 per share until May 15, 2022.

On April 24, 2020, the Company issued an aggregate of 3,128,334 units at a price of $0.15 per unit for gross proceeds of $469,250. Each unit consists of one common share in the capital of the Company and one whole transferable common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable to acquire one common share at an exercise price of $0.20 per share until April 24, 2022.

In connection with the April 24, 2020 and May 15, 2020 private placements, the Company paid $38,727 in share issuance costs.

On February 4, 2020, the Company arranged a non-brokered private placement financing of up to 10,000,000 units of securities at a price of $0.40 per unit for aggregate gross proceeds of up to $4,000,000 (the “Offering”). Each unit will be comprised of one common share and one-half of one non-transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.80 for two years from closing of the Offering. On March 16, 2020, due to the instability in the financial markets caused by the COVID-19 pandemic, the Company cancelled this private placement. As at February 28, 2021, the Company holds $4,400 in connection with this cancelled private placement. These funds are payable to investors and have been reclassified to accounts payable and accrued liabilities.

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE CAPITAL (continued)

(a) Common Shares (continued)

During the year ended November 30, 2019:

During the year ended November 30, 2019, the Company issued a total of 910,300 common shares for gross proceeds of $187,120 for 7,500 warrants exercised at a price of $0.60 per share, 307,800 warrants exercised at a price of $0.40 per share and 595,000 warrants exercised at a price of $0.10 per share. The Company also issued a total of 125,000 common shares for gross proceeds of $37,500 for 125,000 options exercised at a price of $0.30 per share.

As at February 28, 2021, the Company has 405,000 common shares (2020 – 810,000) held in escrow.

(b) Stock Options

On November 12, 2014 the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares in the capital of the Company at the time of granting of options.

During the period ended February 28, 2021:

On January 21, 2021, the Company granted 1,550,000 incentive stock options to directors, consultants, and employees with an exercise price of $0.75 per share for a period of five years from the date of grant. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of $0.75, volatility 100%, risk-free rate 0.43%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $859,401, which will be expensed over the vesting period.

Stock-based compensation recognized in profit or loss for the period ended February 28, 2021 amounted to $657,906 (February 29, 2020 - $196,543).

Stock option transactions and the number of stock options outstanding as at February 28, 2021, November 30, 2020 and November 30, 2019 are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, November 30, 2019	3,150,000	$	0.30
Cancelled	(200,000)		0.60
Balance, November 30, 2020	2,950,000		0.58
Granted	1,550,000		0.29
Exercised	(425,000)		0.09
Balance, February 28, 2021	**4,075,000**	**$**	**0.65**

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE CAPITAL (continued)

(b) Stock Options (continued)

Expiry Date	Exercise Price	Numbers of options outstanding	Numbers of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
	$				$
January 15, 2024	0.60	2,050,000	2,050,000	1.45	0.30
March 20, 2024	0.60	150,000	112,500	0.11	0.02
November 28, 2024	0.50	325,000	162,500	0.30	0.04
January 21, 2026	0.75	1,550,000	950,000	1.86	0.29
		4,075,000	**3,275,000**	**3.72**	**0.65**

(c) Share purchase warrants

During the period ended February 28, 2021:

On January 29, 2021, the Company granted 3,350,000 common share purchase warrants as part of a non-brokered private placement. Each warrant is exercisable to acquire one common share at an exercise price of $0.25 per share until January 29, 2026. During the period ended February 28, 2021, 100,000 warrants were exercised at $0.25 per share.

During the year ended November 30, 2020:

On September 30, 2020, the Company granted 692,583 common share purchase warrants as part of a non-brokered private placement and binding agreement with Aerowave Corporation. Each warrant is exercisable to acquire one common share at an exercise price of $0.50 per share until September 30, 2022. During the period ended February 28, 2021, 292,000 warrants were exercised at $0.50 per share.

On May 15, 2020, the Company granted 3,718,831 common share purchase warrants as part of a non-brokered private placement. Each warrant is exercisable to acquire one common share at an exercise price of $0.20 per share until May 15, 2022. During the period ended February 28, 2021, 3,208,333 warrants were exercised at $0.20 per share.

On April 24, 2020, the Company granted 3,128,334 common share purchase warrants as part of a non-brokered private placement. Each warrant is exercisable to acquire one common share at an exercise price of $0.20 per share until April 24, 2022. During the period ended February 28, 2021, 2,145,000 warrants were exercised at $0.20 per share.

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE CAPITAL (continued)

(c) Share purchase warrants (continued)

Share purchase warrant transactions and the number of share purchase warrants outstanding as at February 28, 2021, November 30, 2020 and November 30, 2019 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2019	-	$ -
Warrants granted	7,539,748	0.90
Warrants exercised	(1,233,334)	0.11
Balance, November 30, 2020	6,306,414	0.23
Warrants granted	3,350,000	0.21
Warrants exercised	(5,745,333)	0.01
Balance, February 28, 2021	**3,911,081**	$ 0.27

Expiry Date	Exercise Price	Number of Warrants outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
	$			$
April 24, 2022	0.20	-	-	0.00
May 15, 2022	0.20	260,499	0.08	0.01
September 30, 2022	0.50	400,582	0.16	0.05
January 29, 2026	0.25	3,250,000	4.09	0.21
		3,911,081	**4.33**	**0.27**

11. FINANCIAL RISK MANAGEMENT

The Company's financial assets consist of cash, and due from related parties. The estimated fair values of cash, subscription receivable, and due from related parties approximate their respective carrying values due to the short period to maturity.

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

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

11. FINANCIAL RISK MANAGEMENT (continued)

For the period ended February 28, 2021 and 2020, the fair value of the cash, accounts receivable, accounts payable, and due to and from related parties approximate the book value due to the short-term nature.

The Company is exposed to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that these sources will be sufficient to cover the likely short-term cash requirements.

The Company's cash is currently invested in business accounts which is available on demand by the Company for its operations.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no significant interest rate risk due to the short-term nature of its interest generating assets.

Credit Risk

Credit risk is the risk of a loss when a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions.

Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, leases, due from related parties and accounts payable and accrued liabilities that are denominated in US dollars. 10% fluctuations in the US dollar against the Canadian dollar have affected comprehensive loss for the year by approximately $26,633 (February 29, 2020 – $6,603).

12. SUPPLEMENTAL CASH FLOW INFORMATION

During the period ended February 28, 2021, 2020 and 2019, the Company has the following non-cash investing and financing activities:

	February 28, 2021	February 29, 2020	February 28, 2019
Non-cash financing activities:			
Fair value of options granted and vested	**$ 657,906**	$ 196,543	$ -
Fair value of options exercised	**158,106**	**-**	**-**
Fair value of warrants granted	**95,395**	**-**	**-**
Fair value of warrants exercised	**35,040**	**-**	**-**
Non-cash investing activities:			
Shares issued for consulting services	**$ 62,500**	$ -	$ -

(EXPRESSED IN CANADIAN DOLLARS)

13. COMMITMENTS

In November 2018, Plymouth Rock USA entered into two-year lease agreement for leased premises (Note 14) in Plymouth, Massachusetts, commencing December 1, 2018 and ending on February 28, 2021. The minimum base rent is USD$2,917 per month for the period from December 1, 2018 to November 30, 2019, USD$3,005 per month from December 1, 2019 to February 28, 2021, USD$3,095 per month from December 1, 2020 to November 30, 2021, USD$3,188 per month from December 1, 2021 to November 30, 2022 and USD$3,284 per month from December 1, 2022 to November 30, 2023.

On January 2, 2020, the Company entered into an advertising agreement with an arm's length party for 12 months. The Company shall pay a total of $36,000 in four equal installments – $9,000 on February 2, 2020, $9,000 on May 2, 2020, $9,000 on August 2, 2020 and $9,000 on November 2, 2020. As at February 28, 2021, $3,000 was included in prepaid (Note 3).

On April 1, 2020 the Company entered into an agreement with a Director of the Company to provide consulting services. In line with this, the Company shall pay $250,000 annually either through cash in 12 monthly installments at the end of each calendar month or through the issuance of 1,000,000 common shares of the Company in four equal quarterly installments, in arrears (Note 7).

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

Right-of-use Assets

The following is the continuity of the cost and accumulated depreciation of right-of-use assets, for the period ended February 28, 2021 and for the year ended November 30, 2020:

		As at February 28, 2021
Opening balance, December 1, 2019	$	-
Recognition upon adoption of IFRS 16		152,864
Amortization expense		(38,216)
Balance, November 30, 2020	$	114,648
Amortization expense		(9,058)
Cumulative translation adjustment		(6,417)
Balance, February 28, 2021	**$**	**99,173**

During the year ended November 30, 2020 the Company recognized right-of-use assets and corresponding lease liabilities upon the adoption of IFRS 16 related to its Massachusetts premises under lease (Note 14). The right-of-use building is depreciated on a straight-line basis over the terms of the underlying lease agreements.

(EXPRESSED IN CANADIAN DOLLARS)

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITY (continued)

Lease liability

The following is the continuity of lease liability, for the period ended February 28, 2021 and for the year ended November 30, 2020:

		As at February 28, 2021
Opening balance, December 1, 2019	$	-
Recognition upon adoption of IFRS 16		152,864
Lease payments		(48,473)
Interest on lease liability		20,449
Balance, November 30, 2020	$	124,840
Lease payments		(11,832)
Interest on lease liability		4,196
Cumulative translation adjustment		(8,344)
Balance, February 28, 2021	**$**	**108,859**
Current Portion	**$**	**33,356**
Long-term portion	**$**	**75,503**

As at November 30, 2020, the minimum lease payments for the lease liabilities are as follows:

		As at February 28, 2021
Year ending:		
2021	$	35,372
2022		48,580
2023		50,043
	$	133,994
Less: Interest expense on lease liabilities		(4,196)
Total present value of minimum lease payments	**$**	**129,798**

(EXPRESSED IN CANADIAN DOLLARS)

15. BREAKDOWN OF EXPENSES

		Three Months Ending February 28		
General and Administrative Expenses	**Note**	**2021**	**2020**	**2019**
Accounting and audit fees	7	**$ 14,539**	$ 4,500	$ 3,157
Amortization	4, 14	**9,562**	429	428
Consulting fees	7	**62,500**	6,558	81,339
General office expenses		**34,736**	29,893	15,622
Insurance		**5,441**	3,204	2,051
Interest and accretion	14	**4,196**	-	10,982
Legal fees		**42,933**	3,914	31,624
Management fees	7	**25,500**	30,750	19,051
Rent		**2,366**	20,718	-
Stock-based compensation	7, 10	**657,906**	196,543	-
Transfer agent and filing fees	10	**26,054**	10,175	20,210
Wages, salaries and benefits	7	**82,618**	122,259	132,616
Total		**968,351**	428,943	317,080

Research and Development	**Note**	**2021**	**2020**	**2019**
Labor	4, 5	**122,633**	70,487	-
Materials		**54,982**	-	-
Total		**$ 177,615**	$ 70,487	$ -

Selling expenses consist of business development expenses amounting to $135,950 (2020 - $366,924; 2019 - $80,517).

16. SEGMENTED INFORMATION

The Company operates in one business segment, focusing on developing technologies as described in Note 1. With the acquisition of PRT USA, the Company's principal business activity through its subsidiary was changed to focus on developing technologies related to remotely detecting assault firearms and suicide bombs concealed on the person or a carry bag. The Company now focuses on detection methods with and without the need for a checkpoint of the suspect who is being screened. The Company's planned technologies encompass the very latest radar, imaging and Unmanned Aerial System (UAS) technologies for quickly detecting, locating and identifying the presence of threats and for search and rescue missions for law enforcement.

(EXPRESSED IN CANADIAN DOLLARS)

16. SEGMENTED INFORMATION (continued)

The Company's revenues were generated in the US and were mostly composed of sales of engineering design services and radar components to well-known US government agencies and prime contractors. All the long-lived assets are located in the U.S. as of February 28, 2021 and November 30, 2020. The following table summarizes the revenue by geographical location:

	Canada	USA	Total
For the period ended February 28, 2021			
Revenues	**$ -**	**$ 19,598**	**$ 19,598**
Gross Profit	**-**	**2,246**	**2,246**
For the period ended February 29, 2020			
Revenues	$ -	$ 405	$ 405
Gross Profit	-	365	365

17. SUBSEQUENT EVENTS

On March 29, 2021, the Company formed the U.K. based subsidiary called Plymouth Rock Technologies UK Limited ("PRT UK"). The purpose of PRT UK will be to augment the Company's existing research and development of the X-1 and X-V for utilization of consultants.

On March 31, 2021, the Company issued 250,000 common shares were issued as compensation for consulting fees to a director (Note 7) valued at a total of $62,500.

On April 22, 2021, the Company signed a binding Letter of Intent (the "LOI") to acquire Tetra Drones Ltd. ("Tetra"), an entity with which the Company has closely collaborated on sensor technology. Pursuant to the LOI, the Company will acquire Tetra for the sum of £350,000 GBP, payable on an installment basis. As a result of the acquisition, the Company will own all outstanding shares of Tetra and will assume Tetra's existing liabilities. The principal owner of Tetra will become part of the Company's management and shall be paid a monthly salary along with bonus shares or other equity instruments at the discretion of the board. All legitimate expenses related to the transaction will be paid by the Company. The Company is currently in the process of seeking counsel regarding attaining the necessary capital through equity issuance. A definitive agreement is to be negotiated on or before April 30, 2021. The Company will acquire Tetra for the total sum of £350,000 GBP ($619,220 CAD) ("purchase price") payable according to the following schedule:

- 10% of the purchase price (£35,000 or $61,922 CAD) within seven days after the definitive agreement has been fully executed (the "Initial Payment")
- An additional 10% of the purchase price (£35,000 or $61,922 CAD) within 21 days of the Initial Payment (the "Second Payment")
- An additional 40% of the purchase price (£140,000 or $247,688 CAD) within 120 days of the Second Payment (the "Third Payment"); and
- The remaining 40% of the purchase price (£140,000 or $247,688 CAD) within 120 days of the Third Payment.

As of the date of report, the Company and Tetra are working towards a definitive agreement.