PLYMOUTH ROCK TECHNOLOGIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the Periods Ended May 31, 2023, 2022 and 2021

(with Comparative AUDITED Figures as at November 30, 2022)

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

PLYMOUTH ROCK TECHNOLOGIES INC.
(the "Company")

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended May 31, 2023

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The 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	**May 31, 2023 (Unaudited)**	November 30, 2022 (Audited)
ASSETS			
Current assets			
Cash		**$ 88,601**	$ 13,127
Accounts receivable		**-**	6,870
Sales tax receivable		**32,165**	9,083
Inventories		**-**	2,175
Prepaid expenses	4	**541,225**	30,947
Total current assets		**661,991**	62,202
Non-current assets			
Equipment	5	**-**	24,801
Right of use asset	16	**-**	61,198
Long-term receivables	6	**84,929**	-
Total assets		**$ 746,920**	$ 148,201
LIABILITIES			
Current liabilities			
Accounts payable	7	**$ 259,024**	$ 1,063,863
Lease liabilities	16	**-**	66,403
Current portion of loans payable	10	**48,000**	127,019
Deferred revenue	8	**-**	124,918
Due to related parties	9	**16,130**	705,672
Total current liabilities		**323,154**	2,087,875
Non-current liabilities			
Lease liabilities	16	**-**	9,394
Total liabilities		**323,154**	2,097,269
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	12	**13,526,621**	11,851,771
Contributed surplus	12	**2,709,790**	2,709,790
Accumulated other comprehensive income		**-**	25,131
Deficit		**(15,812,645)**	(16,535,760)
Total shareholders' equity (deficit)		**423,766**	(1,949,068)
Total liabilities and shareholders' equity (deficit)		**$ 746,920**	$ 148,201

Going concern – Note 1
Subsequent events – Note 19

Approved on behalf of the Board of Directors on July 26, 2023.

“Zara Kanji”	*“Khalid Al-Ali”*
Zara Kanji, Director	Khalid Al-Ali, Director

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

PLYMOUTH ROCK TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		Six months ended May 31			Three months ended May 31		
	Note	2023	2022	2021	2023	2022	2021
OPERATING EXPENSES							
General and administrative	16	**$ 472,638**	$ 385,226	$ 1,290,521	**$ 356,797**	$ 207,222	$ 462,227
Selling	16	**177,099**	71,250	113,408	**177,099**	8,750	18,564
Total expenses		**649,737**	456,476	1,403,929	**533,896**	215,972	480,791
OTHER INCOME (EXPENSES)							
Gain on debt forgiveness	9	**62,500**	-	-	**62,500**	-	-
Foreign exchange gain (loss)		**(602)**	(136)	(1,915)	**(602)**	2	-
Total other income (expense)		**61,898**	(136)	(1,915)	**61,898**	2	-
Loss from continuing operations		**(587,839)**	(456,612)	(1,405,844)	**(471,998)**	(215,970)	(480,791)
Gain on disposal of subsidiaries	3	**1,430,819**	-	-	**1,430,819**	-	-
Loss from discontinued operations	18	**(119,865)**	(771,343)	(967,849)	**(132,877)**	(263,999)	(604,325)
Net Gain (Loss) from discontinued operations		**1,310,954**	(771,343)	(967,849)	**1,297,942**	(263,999)	(604,325)
Net Income (Loss) for the period		**$ 723,115**	$(1,227,955)	$(2,373,693)	**$ 825,944**	$ (479,969)	$(1,085,116)
OTHER COMPREHENSIVE LOSS							
Foreign currency translation loss		**(25,131)**	(742)	(11,771)	**(57,364)**	(23,668)	(16,056)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**$ 697,984**	$(1,228,697)	$(2,385,464)	**$ 768,580**	$ (503,637)	$(1,101,172)
Loss per share from continuing operations, Basic and Diluted		**$ (0.01)**	$ (0.02)	$ (0.05)	**$ (0.01)**	$ (0.01)	$ (0.02)
Basic Earnings (Loss) per share from Discontinued operations		**$ 0.02**	$ (0.01)	$ (0.02)	**$ 0.02**	$ (0.00)	$ (0.01)
Diluted Earnings (Loss) per share from Discontinued operations		**$ 0.01**	$ (0.01)	$ (0.02)	**$ 0.01**	$ (0.00)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Basic		**70,923,835**	59,304,154	49,455,206	**82,277,896**	59,317,461	52,698,357
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Diluted		**96,407,566**	59,304,154	49,455,206	**119,528,708**	59,317,461	52,698,357

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

PLYMOUTH ROCK TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share capital (Note 12)					
	Number of shares	Amount	Contributed Surplus	Deficit	Accumulated other comprehensive income	Total
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	-	-	-	(2,373,693)	-	(2,373,693)
Foreign currency translation gain	-	-	-	-	(11,771)	(11,771)
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	500,000	125,000	-	-	-	125,000
Stock-based compensation	-	-	898,428	-	-	898,428
Balance, May 31, 2021	52,782,596	$ 9,694,680	$ 2,099,164	$(11,266,821)	$ 54,019	$ 581,042
Balance, November 30, 2021	59,239,336	$11,834,582	$ 2,709,790	$(13,867,962)	$ 96,393	$ 772,803
Net loss for the period	-	-	-	(1,227,955)	-	(1,227,955)
Foreign currency translation gain	-	-	-	-	(742)	(742)
Shares issued as compensation	78,125	17,189	-	-	-	17,189
Balance, May 31, 2022	59,317,461	$11,851,771	$ 2,709,790	$(15,095,917)	$ 95,651	$ (438,705)
Balance, November 30, 2022	**59,317,461**	**$11,851,771**	**$ 2,709,790**	**$(16,535,760)**	**$ 25,131**	**$(1,949,068)**
Net income (loss) for the period	-	-	-	723,115	-	723,115
Foreign currency translation loss	-	-	-	-	(25,131)	(25,131)
Shares issued as compensation	2,600,000	169,000	-	-	-	169,000
Private placements	33,680,000	1,684,000	-	-	-	1,684,000
Cash cost of issuance		(178,150)	-	-	-	(178,150)
Balance, May 31,2023	**95,597,461**	**$13,526,621**	**$ 2,709,790**	**$(15,812,645)**	**$ -**	**$ 423,766**

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 – Prepared by Management)
(Expressed in Canadian dollars)

	Six Months Ended May 31		
	2023	**2022**	**2021**
Cash Provided By (Used In)			
Operating Activities			
Net income (loss) for the period	**$ 723,115**	$ (1,227,955)	$ (2,373,693)
Items not affecting cash:			
Gain on sale of discontinued operations	**1,430,819**	-	-
Stock based compensation	**-**	-	898,428
Foreign exchange (gain) loss	**(25,131)**	(742)	-
Interest expense	**-**	-	26
Consulting fees	**-**	17,189	125,000
Changes in non-cash working capital:			
Sales tax receivable	**(23,042)**	(8,460)	(2,067)
Prepaid expenses	**(513,846)**	80,255	13,420
Due from related parties	**-**	-	2,500
Due to related parties	**(30,778)**	83,183	(188)
Accounts payable and accrued liabilities	**(107,746)**	119,128	(10,748)
Net cash used in operating activities – continuing operations	**$ 1,453,391**	$ (937,402)	$ (1,347,322)
Net cash used in operating activities – discontinued operations	**$(1,418,128)**	$ 584,072	$ 43,024
Net cash used in operating activities	**$ 35,263**	$ (353,330)	$ (1,304,298)
Investing Activities			
Long-term receivables	**(84,929)**	-	-
Net cash provided by (used in) investing activities – continuing operations	**$ (84,929)**	$ -	$ -
Net cash provided by (used in) investing activities – discontinued operations	**$ 211,125**	$ -	$ 105,937
Net cash provided by (used in) investing activities	**$ (126,196)**	$ -	$ 105,937

PLYMOUTH ROCK TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Six Months Ended May 31		
	2023	**2022**	**2021**
Financing Activities			
Common shares issued for cash, options and warrants exercised	**$ 1,684,000**	$ -	$ 2,095,166
Share issued for consideration	**169,000**	-	-
Share issuance costs	**(178,150)**	-	-
Loan payable	**(79,019)**	-	-
Net cash provided by (used in) financing activities – continuing operations	**$ 1,595,831**	$ -	$ 2,095,166
Net cash provided by (used in) financing activities – discontinued operations	**(1,681,816)**	$ (24,313)	$ (23,802)
Net cash provided by (used in) financing activities	**$ (85,985)**	$ (24,313)	$ 2,071,364
Increase (decrease) in cash	**75,474**	(377,643)	661,129
Effect of foreign exchange rate changes on cash	**-**	6,893	20,855
Cash, beginning of the period	**13,127**	375,046	24,713
Cash, end of the period	**$ 88,601**	$ 4,296	$ 706,697

Supplemental cash flow information – Note 14

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 700 – 1199 West Hastings Street, Vancouver, B.C., V6E 3T5.

The Company's common shares are listed on the CSE and on Frankfurt Stock Exchange in Germany under the Symbol: PRT and 4XA, respectively, WKN# - A2N8RH. The Company's common shares are also on the OTC Markets Group ("OTCQB") under the symbol: PLRTF.

Previously, the Company's principal business activity through its subsidiary, Plymouth Rock USA ("PRT USA"), focused on developing technologies related to remotely detecting assault firearms and suicide bombs concealed on the person or a carry bag. The Company also incorporated a subsidiary in United Kingdom, Plymouth Rock Technologies UK Limited ("PRT UK") to augment the Company's existing research and development of its drone technologies for the US and EMEA markets. Moreover, the Company acquired Tetra Drones Limited ("Tetra") to provide the Company with drones production line in the United Kingdom.

On May 10, 2023, the Company lost control over PRT UK, and Tetra. Also, On May 19, 2023, the Company lost control over PRT USA. Hence, the Company has discontinued the above subsidiaries according to the requirements of IFRS 10 (Notes 3 and 19).

To date, the Company is in a transition stage to refocus the Company's business operations from developing various technologies to a drone management and solutions provider.

Going Concern

These interim condensed consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company's operations do not generate cash flows from operations. The Company has incurred losses since inception and has a comprehensive loss of $697,984 for the period ended May 31, 2023 (2022 - $1,228,697; 2021 - $2,385,464) and had an accumulated deficit of $15,812,645 (2022 - $16,535,760). 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 expanding 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 and uncertainty casts significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company is not expected to be profitable during the ensuing 12 months, and therefore, must rely on securing additional funds from either issuance of debt or equity financing for cash consideration. During the period ended May 31, 2023, the Company received net cash proceeds of $75,474 (2022 – spent $377,643; 2021 – received $653,137) 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.

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

Going Concern (continued)

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 interim condensed 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.

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 May 31, 2023. 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, 2022, which are available on www.sedar.com.

These Financial Statements are authorized for issue by the Board of Directors on July 26, 2023.

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 PRT USA is U.S. Dollars and the functional currency of PRT UK and Tetra is British Pound Sterling ("£"). The assets and liabilities of PRT USA, PRT UK and Tetra 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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments, estimates and assumptions (continued)

a. 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.

b. Stock-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.

c. 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.

d. Leases

Management uses estimation in determining the incremental borrowing rate used to measure the lease liability, specific to the asset, underlying currency and geographic location.

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 May 31, 2023. 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.

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 3 met the criteria for accounting as a business combination.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

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

Consolidation

The Financial Statements of the previous year include the accounts of the Company and its wholly owned subsidiary over which the Company has control (Note 3).

Control exists when the Company has the power and ability, directly or indirectly, to direct the relevant activities of an entity to obtain benefit from its activities. Subsidiaries are fully consolidated from the date that control commences until the date the control ceases. The accounting policies of the Company's subsidiaries have been aligned with the policies adopted by the Company. When the Company ceases to control a subsidiary, the financial statements of the subsidiary are de-consolidated (Note 3).

All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions, have been eliminated. The Company's previously controlled subsidiaries are presented in the table below. Plymouth Rock USA was incorporated under the General Corporation Law of the State of Delaware on March 22, 2018. Plymouth Rock UK was incorporated under the General Corporation Law for England and Wales on March 26, 2021.Tetra Drones was incorporated under the General Corporation Law for England and Wales and was acquired by the Company on June 4, 2021. During the period ended May 31, 2023, all the subsidiaries were disposed of (Note 3).

Entity	Country of Incorporation	Effective Economic Interest	Date of Disposal (Note 3)
Plymouth Rock Technologies Inc. ("Plymouth Rock USA")	USA	100%	May 19, 2023
Plymouth Rock Technologies Inc. ("PRT UK")	UK	100%	May 10, 2023
Tetra Drones Ltd. ("Tetra Drones")	UK	100%	May 10, 2023

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)

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	Vehicles	30% declining balance
Furniture	20% declining balance	Leasehold improvements	30% declining balance
Demo equipment	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 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)

Stock-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, the contributed surplus will be reduced by the applicable amount. Share-based payment calculations have no effect in the Company's cash position.

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, and accounts receivable.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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.

Deferred revenue

The Company recognizes a deferred revenue when the customers pay in advance for the goods or services to be delivered in future periods. Revenue will be recognized in the future period when the goods and services are provided and in accordance with IFRS 15.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Leases

The Company adopted IFRS 16 effective December 1, 2019. 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 interim condensed 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 interim condensed consolidated statements of cash flows, however, it does not cause a difference in the amount of cash transferred between the parties of the lease.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Company.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in the consolidated statement of operations. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Discontinued operations

The Company classifies disposal groups as discontinued operations if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

A disposal Company qualifies as discontinued operations if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations.
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.
- Is a subsidiary acquired exclusively with a view to re-sell

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss from discontinued operations are excluded from net loss from continuing operations and are presented as a single amount under "loss from discontinued operations" account in the consolidated statement of loss and comprehensive loss.

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") – *Classification of Liabilities as Current or Noncurrent* were amended to clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier adoption is permitted.

IAS 16 – Property, Plant and Equipment — *Proceeds before Intended Use* – The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier adoption is permitted.

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

3. DISPOSAL OF SUBSIDIARIES

During the period ended May 31, 2023, following the loss of control over the subsidiaries' operations (PRT USA, PRT UK and Tetra), the Company de-consolidated the results of their operations and financial position. The resulting gain from the disposal of the subsidiaries broken down as follows:

	PRT USA	**PRT UK**	**Tetra Drones**	**Total**
Net assets from disposal of subsidiaries	$5,185,294	$1,398,752	$ 327,868	$6,911,914
Less: Receivables from subsidiaries	(4,239,682)	(1,120,913)	(120,500)	(5,481,095)
Gain from disposal of subsidiaries	**$ 945,612**	**$ 277,839**	**$ 207,368**	**$1,430,819**

(a) PRT USA

On May 19, 2023, following the management transitions and the loss of control over PRT USA, the Company has derecognized their investment in this subsidiary. As the Company will receive $Nil on the disposal the total value of the net liabilities of PRT USA was recognized as a gain in the consolidated statements of income (loss) and comprehensive income (loss).

(Expressed in Canadian Dollars)

3. DISPOSAL OF SUBSIDIARIES (continued)

As at May 31, 2023, the assets and liabilities from discontinued operations recognized in the Interim Consolidated Statements of Comprehensive Income (Loss) amounting to $5,185,294 (2022 - $Nil).

	As at May 31, 2023 (Unaudited)
ASSETS	
Current Assets	
Cash, cash equivalents, and restricted cash	**$ 1,651**
Prepaid expenses	**8,278**
Account receivable	**23,543**
Inventories	**2,153**
Total current assets of discontinued operations	**35,625**
Non-current assets	
Equipment	**5,893**
Right of use asset	**38,025**
Total non-current assets of discontinued operations	**43,918**
Assets of discontinued Operations	**$ 79,543**
LIABILITIES	
Current Liabilities	
Accounts payable	**$ 978,634**
Current Lease Liability	**49,273**
Due to related parties	**4,336,279**
Total current liabilities of discontinued operations	**5,364,186**
Liabilities of discontinued operation	**$5,364,186**
Foreign exchange losses	**(99,349)**
Net assets from disposal of PRT USA	**$5,185,294**

(b) PRT UK

On May 10, 2023, following the management transitions and the loss of control over PRT UK, the Company has derecognized their investment in this subsidiary. PRT UK was also put under liquidation from July 6, 2023 Note 20). As the Company will receive $Nil on the disposal the total value of the net liabilities of PRT UK was recognized as a gain in the consolidated statements of income (loss) and comprehensive income (loss).

(Expressed in Canadian Dollars)

3. DISPOSAL OF SUBSIDIARIES (continued)

As at May 31, 2023, the assets and liabilities from discontinued operations recognized in the Interim Consolidated Statements of Comprehensive Loss amounting to $1,398,752 (2022 - $Nil).

		As at May 31, 2023 (Unaudited)
ASSETS		
Current Assets		
Cash, cash equivalents, and restricted cash	$	**14,936**
Prepaid expenses		**5,353**
Total current assets of discontinued operations		**20,289**
Non-current assets		
Equipment		**8,106**
Right of use asset		**21,999**
Total non-current assets of discontinued operations		**30,105**
Assets of discontinued operations	**$**	**50,394**
LIABILITIES		
Current Liabilities		
Accounts payable	$	**471,663**
Current Lease Liability		**23,040**
Due to related parties		**959,446**
Deferred revenue		**5,709**
		1,459,858
Liabilities of discontinued operation	**$**	**1,459,858**
Foreign exchange losses		**(10,712)**
Net assets from disposal of PRT UK	**$**	**1,398,752**

(c) Tetra Drones

On May 10, 2023, following the management transitions and the loss of control over Tetra, the Company has derecognized their investment in this subsidiary. As the Company will receive $Nil on the disposal the total value of the net liabilities of Tetra was recognized as a gain in the consolidated statements of income (loss) and comprehensive income (loss).

(Expressed in Canadian Dollars)

3. DISPOSAL OF SUBSIDIARIES (continued)

As at May 31, 2023, the assets and liabilities from discontinued operations recognized in the Interim Consolidated Statements of Comprehensive Loss amounting to $327,868 (2022 - $Nil).

		As at 31-May-2023 (Unaudited)
ASSETS		
Current Assets		
Sales tax receivable	$	468
Total current assets of discontinued operations		468
Non-current assets		
Equipment		10,229
Total non-current assets of discontinued operations		10,229
Assets of discontinued Operations	**$**	**10,697**
LIABILITIES		
Current Liabilities		
Bank Overdraft	$	16,512
Accounts payable		8,295
Due to related parties		221,009
Loan payable - current		255
Liabilities of discontinued operation	**$**	**246,071**
Foreign exchange gains		**92,494**
Net assets from disposal of Tetra Drones	**$**	**327,868**

4. PREPAID EXPENSES

As at May 31, 2023 and November 30, 2022, the Company's prepaid expenses consist of the following:

		May 31		November 30, 2022
Advertising and promotions	**$**	**92,788**	$	113
Business development		**428,667**		-
Rent		**525**		8,247
Transfer agent and filing fees		**7,470**		13,748
Insurance		**11,250**		8,839
Others		**525**		-
	$	**541,225**	$	30,947

The prepayments for advertising include prepayments for marketing and awareness programs handled by an arms' length parties for a six to twelve-month period. Prepaid rent pertains to the amount paid for the security deposit of the rent while prepayments for Transfer agent and filing fees include annual fee of transfer agent for the issuance of shares, closing of private placement and other related compliance.

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Computer $	Furniture $	Vehicles $	Leasehold Improvement $	Demo Equipment $	Total $
Cost:						
Balance at November 30, 2021	24,028	19,271	16,014	3,826	239,747	302,886
Disposal	-	-	(16,243)	-	-	(16,243)
Foreign currency translation adjustment	(997)	190	229	(182)	3,158	2,398
Balance at November 30, 2022	23,031	19,461	-	3,644	242,905	289,041
Foreign currency translation adjustment	361	206	-	59	2,653	3,279
Disposal	(23,392)	(19,667)	-	(3,703)	(245,558)	(292,320)
Balance at May 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated Depreciation:						
Balance at November 30, 2021	1,716	5,473	1,218	291	-	8,698
Amortization	9,236	2,688	4,210	1,006	-	17,140
Disposal	-	-	(5,375)	-	-	(5,375)
Impairment					236,677	236,677
Foreign currency translation adjustment	642	296	(53)	(13)	6,228	7,100
Balance at November 30, 2022	11,594	8,457	-	1,284	242,905	264,240
Amortization	1,593	554	-	179	-	2,326
Foreign currency translation adjustment	180	81	-	23	2,653	2,937
Disposal	(13,367)	(9,092)	-	(1,486)	(245,558)	(269,503)
Balance at May 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**
Net Book Value:						
At November 30, 2022	11,437	11,004	-	2,360	-	24,801
At May 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**

(Expressed in Canadian Dollars)

6. LONG-TERM RECEIVABLES

On May 29, 2023, the Company signed a facility agreement with a third party wherein the Company will provide a total of £50,000 to support the former's new and existing business opportunities.

The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 5% of the diluted share capital of the third party.

As at May 31, 2023, the Company has loaned a total of $84,929 (£50,000) to the third party and no conversion was made to date (Note 19).

7. ACCOUNTS PAYABLE

As at May 31, 2023 and November 30, 2022, the Company's accounts payable consist of the following:

	May 31, 2023	November 30, 2022
Professional fees	**$ 45,221**	$ 382,805
Consulting fees	**7,500**	-
Business development	**10,500**	-
Investor relations	**128,450**	-
Funds to be returned to investors	**43,046**	43,046
Advertising costs	**-**	34,705
Payroll	**-**	268,610
Development costs	**-**	168,925
Bank overdraft	**-**	16,036
VAT Payable	**-**	61,262
Purchases	**-**	2,121
Rent	**-**	1,822
Others	**24,307**	84,531
	$ 259,024	$ 1,063,863

8. DEFERRED REVENUE

As at May 31, 2023 and November 30, 2022, the Company's previously controlled subsidiary received an advance payment from their customers as consideration for the Company's products and services to be rendered in the future date amounting to $Nil (November 30, 2022 - $124,918).

(Expressed in Canadian Dollars)

9. 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 interim condensed 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 May 31, 2023, $16,130 (November 30, 2022– $705,672) are due to directors and officers of the Company:

	May 31, 2023	November 30, 2022
Former CFO of the Company	**$ -**	$ 67,540
Former Director of the Company	**-**	250,179
Former CEO of the Company	**-**	307,472
Company controlled by a Director	**16,130**	80,481
	$ 16,130	$ 705,672

During the periods ended May 31, 2023 and 2022 and 2021, the Company entered into the following transactions with related parties:

	May 31, 2023	May 31, 2022	May 31, 2021
Management fees	**$ 47,127**	$ 45,372	$ 51,000
Consulting fees	**32,500**	125,000	125,000
Accounting fees	**24,744**	-	4,500
Rent	**-**	-	2,000
Share-based payments	**-**	-	345,160
Salaries and benefits to the Former CEO	**-**	155,963	113,507
	$ 104,371	$ 326,335	$ 641,167

Management fees consisted of the following:

	May 31, 2023	May 31, 2022	May 31, 2021
Former Director	**$ 27,127**	$ -	$ -
Company controlled by the President and CEO	**20,000**	-	-
Company controlled by the Former Corporate Secretary	**-**	10,500	21,000
Former CFO	**-**	34,872	-
Company controlled by a Director	**-**	-	30,000
Total	**$ 47,127**	$ 45,372	$ 51,000

Consulting fees consisted of the following:

	May 31, 2023	May 31, 2022	May 31, 2021
Directors	**$ -**	$ 125,000	$ 125,000
Company controlled by the President and CEO	**32,500**	-	-
Total	**$ 32,500**	$ 125,000	$ 125,000

Accounting fees of $24,744 (2022 - $Nil and 2021 - $4,500) and rent of $Nil (2022 - $Nil and 2021 - $2,000) were paid or accrued to a company controlled by a Director.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Gain on debt forgiveness of $62,500 (2022 - $Nil and 2021 - $Nil) is the consulting fees forgiven by the company controlled by the President and CEO.

During the period ended May 31, 2023, the Company had no stock options held by the CEO, Former CFO, Former Corporate Secretary, and the Company's former directors. The amount recognized as expense for these options for the periods ended May 31, 2023, 2022, and 2021 are as follows:

	May 31, 2023		May 31, 2022		May 31, 2021	
	Number of Options held	**Expense for the year (vested)**	Number of options held	Expense for the year (vested)	Number of Options held	Expense for the year (vested)
Former CEO	-	-	600,000	-	600,000	$112,167
Former CFO	-	-	150,000	-	150,000	28,042
Former Corporate Secretary	-	-	150,000	-	150,000	28,042
Former Directors	-	-	300,000	-	375,000	80,413
Current Directors	-	-	450,000	-	450,000	96,496
	-	-	1,650,000	-	1,725,000	$ 345,160

10. LOANS PAYABLE

For the period ended May 31, 2023, the current loan payable of $48,000 consisted of: a loan with a principal amount of $30,000 plus 60% fixed interest on Principal amount totaling $18,000 due to default as per agreement.

11. 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.

12. SHARE CAPITAL

(a) Common Shares

Authorized: Unlimited number of common shares without par value

As at May 31, 2023, there were 95,597,461 common shares issued and outstanding (November 30, 2022 – 59,317,461).

During the period ended May 31, 2023:

On May 30, 2023, the Company issued 2,600,000 common shares as compensation for Investor relations to an arm's length party valued at a total of $169,000.

On March 30, 2023, the Company closed a non-brokered private placement and issued 26,480,000 common shares at a price of $0.05 per unit for gross proceeds of $1,324,000. Each Unit is comprised of one (1) common share and one (1) common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.10 for three (3) years from closing of the Offering. The company has paid cash finders fees of $95,900 and legal fees of $28,107.

On March 27, 2023, the Company closed a non-brokered private placement and issued 7,200,000 common shares at a price of $0.05 per unit for gross proceeds of $360,000. Each Unit is comprised of one (1) common share and one (1) common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.10 for three (3) years from closing of the Offering. The company has paid cash finders fees of $46,500 and legal fees of $7,643.

During the year ended November 30, 2022:

On December 31, 2021, the Company issued 78,125 common shares as compensation for consulting fees to a director valued at a total of $17,189.

During the year ended November 30, 2021:

On August 9, 2021, the Company issued 5,750,000 Units at $0.40 per unit for proceeds of $2,300,000. 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 $0.50 for five years. The Company paid cash of $63,700, issued 166,250 finders' Units with a fair value of $66,500 and 325,750 broker warrants as finder's fees. Each finders' Unit comprised of one common share and one full non-transferable common share purchase warrant, with exercise price of $0.50 per share for five years. The broker warrants are exercisable at $0.50 per share for five years.

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 cash of $10,480, issued 170,000 finders' Units with a fair value of $34,000 and 222,400 broker warrants as finder's fees. Each finder's Unit is comprised of one common share and one full non-transferable common share purchase warrant with exercise price of $0.25 per share for five years. The broker warrants are exercisable at $0.25 per share for five years.

During the year ended November 30, 2021, the Company issued 425,000 common shares for gross proceeds of $222,500 from the exercise of 425,000 stock options at $0.50 to $0.60 per share.

12. SHARE CAPITAL (continued)

(a) Common Shares (continued)

During the year ended November 30, 2021, the Company issued 6,129,573 common shares for gross proceeds of $1,332,727 from the exercise of 6,129,573 share purchase warrants at $0.20 to $0.50 per share.

During the year ended November 30, 2021, the Company issued 656,250 common shares with total fair value of $307,734 were issued as compensation for consulting fees to a director (Note 9).

(b) Stock Options

The Company maintains 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 May 31, 2023:

2,200,000 options, 1,525,000 options and 150,000 options with exercise prices of $0.60, 0.75 and 0.50, respectively, were cancelled.

During the year ended November 30, 2022:

125,000 stock options with an exercise price of $0.50 were cancelled.

75,000 stock options with an exercise price of $0.50 expired unexercised.

During the year ended November 30, 2021:

On June 10, 2021, the Company granted 150,000 incentive stock options to a consultant with an exercise price of $0.50 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 $0.485, volatility 100%, risk-free rate 0.82%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $53,677, and the amount was recognized on the interim condensed consolidated statements of loss and comprehensive loss for the year ended November 30, 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 $1,022,995, and the amount was recognized on the interim condensed consolidated statements of loss and comprehensive loss for the year ended November 30, 2021.

Stock-based compensation recognized in profit or loss for the period ended May 31, 2023 amounted to $Nil (2022 – $Nil; and 2021 – $898,428).

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(b) Stock Options (continued)

Stock option transactions and the number of stock options outstanding as at May 31, 2023, November 30, 2022, and November 30, 2021 are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2021	4,225,000	$ 0.64
Expired	(75,000)	0.50
Cancelled	(125,000)	0.50
Balance, November 30, 2022	4,025,000	$ 0.66
Cancelled	(3,875,000)	0.66
Balance, May 31, 2023	**150,000**	**$ 0.55**

The following summarizes the stock options outstanding at May 31, 2023:

Expiry Date	Exercise Price	Numbers of options outstanding	Numbers of options exercisable	Weighted average remaining contractual life (year)	Weighted average exercise price
	$				$
November 28, 2024	0.50	125,000	125,000	1.25	0.42
January 21, 2026	0.75	25,000	25,000	0.44	0.13
		150,000	**150,000**	**1.69**	**0.55**

(c) Share purchase warrants

During the period ended May 31, 2023:

On March 30, 2023, the Company issued 26,480,000 common share purchase warrants as part of the private placement. Each warrant is exercisable to purchase one common share at an exercise price of $0.10 for three from closing of the offering.

On March 27, 2023, the Company issued 7,200,000 common share purchase warrants as part of the private placement. Each warrant is exercisable to purchase one common share at an exercise price of $0.10 for three from closing of the offering.

During the year ended November 30, 2022

561,081 warrants with exercise price of $0.20 expired unexercised.

During the year ended November 30, 2021

On August 9, 2021, the Company issued 5,916,250 common share purchase warrants as part of the private placement. Each warrant is exercisable to purchase one common share at an exercise price of $0.50 per share until August 9, 2026.

On August 9, 2021, the Company also granted 325,750 warrants to finder's warrants as described in note 12(a) in connection with the private placement. Each warrant is exercisable to purchase one common share at an exercise price of $0.50 per share until August 9, 2026. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of $0.35, volatility 100%, risk-free rate 0.88%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $79,032.

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(c) Share purchase warrants (continued)

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 year ended November 30, 2021, 30,000 warrants were exercised at $0.25 per share.

On January 29, 2021, the Company also granted 222,400 warrants to finders in connection with the private placement. Each warrant is exercisable to acquire one common share at an exercise price of $0.50 per share until August 9, 2026. During the year ended November 30, 2021, 4,240 warrants were exercised at $0.25 per share. The fair value was estimated using the Black-Scholes pricing model with estimated stock price of $0.52, 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 $95,395.

Share purchase warrant transactions and the number of share purchase warrants outstanding as of May 31, 2023, November 30, 2022 and November 30, 2021 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	
Balance, November 30, 2021	9,991,241	$	0.42
Warrants expired	(561,081)		0.20
Balance, November 30, 2022	9,430,160		0.42
Warrants issued	33,680,000		0.10
Balance, November 30, 2022	**43,110,160**	**$**	**0.17**

The following summarizes the stock warrants outstanding at May 31, 2023:

Expiry Date	Exercise Price $	Number of Warrants outstanding and exercisable	Weighted average remaining contractual life (year)	Weighted average exercise price $
January 29, 2026	0.25	3,188,160	0.20	0.02
March 27, 2026	0.10	7,200,000	0.47	0.02
March 30, 2026	0.10	26,480,000	1.74	0.06
August 9, 2026	0.50	6,242,000	0.39	0.07
		43,110,160	**2.80**	**0.17**

13. 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.

For the periods ended May 31, 2023 and November 30, 2022, the fair value of the cash, accounts receivable, accounts payable, and due from related parties approximate the book value due to the short-term nature.

13. FINANCIAL RISK MANAGEMENT (continued)

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 are 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 and UK Sterling Pound against the Canadian dollar have affected comprehensive loss for the period by approximately $852 (2022 – $38,297 and 2021 – $13,064).

14. SUPPLEMENTAL CASH FLOW INFORMATION

During the periods ended May 31, 2023, 2022 and 2021, the Company has the following non-cash investing and financing activities:

	May 31, 2023	May 31, 2022	May 31, 2021
Non-cash financing activities:			
Fair value of options exercised	**$ -**	$ -	898,428
Fair value of warrants granted	**-**	-	95,395
Fair value of warrants exercised	**-**	-	35,040
Shares issued as a compensation for Investor relation services	**169,000**	-	-
Non-cash investing activities:			
Shares to be issued to acquisition of inventory	**-**	17,189	125,000

(Expressed in Canadian Dollars)

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

Right-of-use assets

In November 2018, the Company's previously controlled subsidiary, PRT USA, entered into a two-year lease agreement for leased premises in Plymouth, Massachusetts, commencing December 1, 2018 and ending on November 30, 2020. On December 31, 2020, the Company renewed this lease agreement to November 30, 2023. The minimum base rent for the remaining lease term is USD$3,005 ($3,726) per month from December 1, 2019 to November 01, 2020; USD$3,095 ($3,838) per month from December 1, 2020 to November 30, 2021; USD$3,188 ($3,953) per month from December 1, 2021 to November 30, 2022; and USD$3,284 ($4,072) per month from December 1, 2022 to November 30, 2023. However, PRT USA agreed to terminate their lease with an arm's length party on December 31, 2022.

On September 9, 2021, the Company's previously controlled subsidiary, PRT UK, entered into lease agreement with arm's length party to use the premises known as The Old Workshop, Estuary Road, King's Lynn, Norfolk from May 1, 2021 and will set to expire on April 30, 2024, with annual lease fee of £12,000 or £1,000 per month with interest of 4% per annum above Barclays Bank PLC base rate in case of default (Notes 3 and 18).

During the period ended May 31, 2023, the company has disposed of its UK and US subsidiaries (Notes 3 and 18). Accordingly, the ROU asset and lease liabilities have been derecognized.

The following is the continuity of the cost and accumulated depreciation of right-of-use assets, for the period ended May 31, 2023 and for the year ended November 30, 2022:

Balance, November 30, 2021	$ 72,734
Additions	38,027
Amortization expense	(50,571)
Cumulative translation adjustment	1,008
Balance, November 30, 2022	**$ 61,198**
Amortization expense	(6,579)
Disposal	(38,383)
Cumulative translation adjustment	5,763
Disposal of net liabilities due to loss of control	(21,999)
Balance, May 31, 2023	**$ Nil**

(Expressed in Canadian Dollars)

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

Lease liabilities

The following is the continuity of lease liability, for the period ended May 31, 2023 and for the year ended November 30, 2022:

Balance, November 30, 2021	$	86,346
Additions		38,027
Lease payments		(72,727)
Interest on lease liability		18,877
Cumulative translation adjustment		5,274
Balance, November 30, 2022	$	75,797
Lease payments		(9,406)
Interest on lease liability		1,514
Lease cancellation/ termination		(50,135)
Cumulative translation adjustment		5,270
Disposal of net liabilities due to loss of control		(23,040)
Balance, May 31, 2023	**$**	**Nil**

Current Portion	**$**	**Nil**
Long-term portion	**$**	**Nil**

As at May 31, 2023 and November 30, 2022, the minimum lease payments for the lease liabilities are as follows:

		May 31, 2023		**November 30, 2022**
Year ending:				
2023	$	-	$	72,664
2024		-		9,716
		-		82,380
Less: Interest expense on lease liabilities		-		(6,583)
Total present value of minimum lease payments	**$**	**Nil**	**$**	**75,797**

16. BREAKDOWN OF EXPENSES

		Six Months ended May 31					
General and Administrative Expenses	**Note**		**2023**		**2022**		**2021**
Accounting and audit fees	9	**$**	**40,875**	$	145,923	$	23,635
Investor relations			**169,000**		-		-
Consulting fees	9		**90,324**		147,848		125,000
General office expenses			**9,837**		3,455		8,436
Insurance			**3,680**		10,377		10,268
Legal fees			**74,646**		29,605		93,338
Management fees	9		**47,127**		10,500		51,000
Rent			**3,000**		4,488		26,216
Stock-based compensation	9, 12		**-**		-		898,428
Transfer agent and filing fees	12		**34,149**		33,030		54,200
Total		**$**	**472,638**	$	385,226	$	1,290,521

Selling expenses consist of business development expenses amounting to $177,099 (2022 - $71,250; 2021 - $113,408).

(Expressed in Canadian Dollars)

17. SEGMENTED INFORMATION

The Company operates in one business segment, focusing on developing technologies as described in Note 1.

Reportable segments are defined as components of an enterprise about which discrete financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

18. DISCONTINUED OPERATIONS

A discontinued operation is a component of the Company that either has been abandoned, disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operation; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or (iii) is a subsidiary acquired exclusively with a view to resell.

For the periods ended May 31, 2023, 2022 and 2021, the loss from discontinued operations relate to the following:

	Six months ended May 31		
	2023	2022	2021
PRT USA	**$ 130,680**	$ 416,132	$ 914,962
PRT UK	**(107,752)**	209,752	-
Tetra Drones	**96,937**	145,459	52,887
Loss from discontinued operations	**$ 119,865**	$ 771,343	$ 967,849

(Expressed in Canadian Dollars)

18. DISCONTINUED OPERATIONS (continued)

(a) PRT USA

On May 19, 2023, the Company considered its PRT USA operations to have met the definition of discontinued operations and as such, assets, liabilities and results of operations that can be distinguished operationally and for financial reporting purposes from the rest of the Company have been terminated and reported separately in the financial statements.

For the period ended May 31, 2023 and May 31, 2022, the loss from discontinued operations relate to the following:

	Six months ended		
	May 31, 2023	May 31, 2022	May 31, 2021
Revenues	**$ (43,941)**	$ (97,803)	$ (22,540)
Cost of sales	**15,980**	36,833	18,875
Gross profit (loss)	**(27,961)**	(60,970)	(3,665)
Operating expenses:			
Amortization expenses	-	18,776	18,368
Business development	**68,103**	77,884	96,951
Office and miscellaneous	**10,226**	21,603	52,207
Interest and accretion	-	5,540	7,992
Accounting fees	**-**	-	2,011
Consulting Expense	-	2,853	-
Insurance	**114**	820	2,720
Legal fees	**692**	17,413	32,537
Management fees	**20,357**	34,871	6,695
Rent	**4,978**	8,597	-
Wages, salaries and benefits	**54,286**	155,963	205,885
Research and development	-	132,671	482,083
Total operating expenses	**158,756**	476,991	907,449
Loss before other expenses	**$ 130,795**	$ 416,021	$ 903,784
Other income (expenses):			
Unrealized gain (loss) on foreign exchange	**(115)**	111	11,178
Total other income (expenses)	**$ (115)**	$ 111	$ 11,178
Loss from discontinued operations	**$ 130,680**	$ 416,132	$ 914,962

(b) PRT UK

On May 10, 2023, the Company considered its PRT UK operations to have met the definition of discontinued operations and as such, assets, liabilities and results of operations that can be distinguished operationally and for financial reporting purposes from the rest of the Company have been terminated and reported separately in the financial statements.

(Expressed in Canadian Dollars)

18. DISCONTINUED OPERATIONS (continued)

(b) PRT UK (continued)

For the period ended May 31, 2023 and May 31, 2022, the loss from discontinued operations relate to the following:

	Six months ended		
	May 31, 2023	May 31, 2022	May 31, 2021
Revenues	**$ (205,507)**	$ (398,859)	$ -
Cost of sales	**-**	91,537	-
Other income	**(44)**	-	-
Gross profit (loss)	**(205,551)**	(307,322)	-
Operating expenses:			
Amortization expenses	**4,562**	2,079	-
Business development	**-**	7,501	-
Accounting and audit fees	**6,701**	15,040	-
Office and miscellaneous	**20,964**	43,323	13,897
Interest and accretion	**981**	-	26
Consulting Expense	**51,672**	5,515	4,332
Insurance	**6,167**	6,390	1,999
Rent	**4,397**	8,304	1,733
Wages, salaries, and benefits	**147,666**	339,697	17,038
Research and development	**31,035**	89,225	13,862
Total operating expenses	**274,145**	517,074	52,887
Loss before other expenses	**$ 68,594**	$ 209,752	$ 52,887
Other income (expenses):			
Research and development tax credit	**(176,346)**	-	-
Total other income (expenses)	**$ (176,346)**	$ -	$ -
Loss from discontinued operations	**$ (107,752)**	$ 209,752	$ 52,887

(c) Tetra Drones

On May 10, 2023, the Company considered its PRT Tetra operations to have met the definition of discontinued operations and as such, assets, liabilities and results of operations that can be distinguished operationally and for financial reporting purposes from the rest of the Company have been terminated and reported separately in the financial statements.

(Expressed in Canadian Dollars)

18. DISCONTINUED OPERATIONS (continued)

(c) Tetra Drones (continued)

For the period ended May 31, 2023 and May 31, 2022, the loss from discontinued operations relate to the following:

	Six months ended	
	May 31, 2023	May 31, 2022
Revenues	**$ (758,676)**	$ -
Cost of goods sold	**442,103**	262
Gross profit (loss)	**(316,573)**	262
Operating expenses:		
Amortization expenses	**34,520**	4,820
Business development	**42,891**	-
Office and miscellaneous	**164,961**	9,829
Interest expense	**10,640**	-
Insurance	**9,621**	3,156
Legal fees	**23,273**	-
Rent	**67,925**	18,454
Wages, salaries and benefits	**176,421**	-
Total operating expenses	**530,252**	36,259
Loss before other expenses	**$ 213,679**	$ 36,521
Other income (expenses):		
Other income	**(103,918)**	-
Forex gain or loss - IS	**(838)**	(577)
Gain on debt forgiveness	**(11,986)**	-
Total other income (expenses)	**$ (116,742)**	$ (577)
Loss from discontinued operations	**$ 96,937**	$ 35,944

19. SUBSEQUENT EVENTS

On July 6, 2023, PRT UK was put under liquidation.

On July 24, 2023, the Company closed a non-brokered private placement and issued 9,907,000 common shares at a price of $0.06 per unit for gross proceeds of $594,420. Each Unit is comprised of one (1) common share and one (1) common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.10 for five (5) years from closing of the Offering. The Company has paid cash finders fees of $59,442 and and 990,700 finders' b-warrants were paid on a portion of the Offering. Each finder's b-warrant entitles the holder to purchase one additional common share at a price of $0.10 for five (5) years from closing of the Offering.

On July 25, 2023, the Company signed a facility agreement with a third party to provide £35,000 for general corporate purposes and It has sent a total of £35,000 ($60,151). The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 3.5% of the diluted share capital of the third party and no conversion was made to date.