AETHER GLOBAL INNOVATIONS CORP.

(formerly Plymouth Rock Technologies Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

For The Years Ended November 30, 2023, 2022 and 2021

(Expressed in Canadian Dollars)

RELIANT

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Aether Global Innovations Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Aether Global Innovations Corp. (the "Company") as of November 30, 2023 and 2022, the related consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity (deficit), and cash flows for each of the years in the two-year period ended November 30, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of November 30, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the two-year period ended November 30, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company's significant operating losses raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current year audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Loss of Control of Subsidiaries

As disclosed in Note 3 to the financial statements, the Company recognized loss control of three previously controlled subsidiaries, PRT US, PRT UK and Tetra Drones on December 1, 2022. The Company adopted the guidance of IFRS 10, Consolidated Financial Statements, which a) derecognises the assets and liabilities of the former subsidiary from the consolidated statement of financial position, b) recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with IFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture, and c) recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

We identified the accounting for loss of control of subsidiaries as a critical audit matter because of the significance to the Company's financial statements. There were significant accounting judgments made by management when assessing the definition of loss of control and loss of control date, which led to a high degree of auditor judgment, subjectivity and an increased extent of effort. As of November 30, 2023, the Company recognized gain from loss of control of subsidiaries of $995,142 which is significant in values to the financial statements of the Company.

Our audit procedures related to accounting for the loss of control of subsidiaries included the following, among others:

a) Reviewed management's memoranda and supporting documents to comprehend the context regarding the loss of control of its subsidiaries.
b) Assessed management's evaluation of the loss of control date and its corresponding accounting treatment in accordance with IFRS 10.
c) Tested the account balances of subsidiaries that experienced loss of control as of the specified date.
d) Recalculated the gain associated with the loss of control of subsidiaries.

/s/ Reliant CPA PC
Reliant CPA PC

Served as Auditor since 2022
Newport Beach, CA
May 15, 2024

AETHER GLOBAL INNOVATIONS CORP. (formerly Plymouth Rock Technologies Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note		November 30, 2023		November 30, 2022
ASSETS					
Current assets					
Cash		$	38,555	$	13,127
Accounts receivable			-		6,870
Sales tax receivable			5,826		9,083
Inventories			-		2,175
Prepaid expenses	4		183,872		30,947
Total current assets			228,253		62,202
Non-current assets					
Equipment	5		-		24,801
Right-of-use asset	16		-		61,198
Long-term receivable	6		1		-
Total assets		**$**	**228,254**	**$**	**148,201**
LIABILITIES					
Current liabilities					
Accounts payable	7	$	77,126	$	1,063,863
Lease liabilities	16		-		66,403
Loans payable	10		48,000		127,019
Deferred revenue	8		-		124,918
Due to related parties	9		372,650		705,672
Total current liabilities			497,776		2,087,875
Non-current liabilities					
Lease liabilities	16		-		9,394
Total liabilities			497,776		2,097,269
SHAREHOLDERS' DEFICIT					
Share capital	12		13,916,448		11,851,771
Contributed surplus	12		2,709,790		2,709,790
Reserves	12		248,928		-
Accumulated other comprehensive income			-		25,131
Accumulated Deficit			(17,144,688)		(16,535,760)
Total shareholders' deficit			(269,522)		(1,949,068)
Total liabilities and shareholders' deficit		**$**	**228,254**	**$**	**148,201**

Going concern – Note 1
Commitments and contingencies – Note 15
Subsequent events – Note 20

These consolidated financial statements are authorized for issuance by the Board of Directors on May 15, 2024.

Approved on behalf of the Board:

"Zara Kanji"
Zara Kanji, Director

"Alan Treddenick"
Alan Treddenick, Director

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

AETHER GLOBAL INNOVATIONS CORP. (formerly Plymouth Rock Technologies Inc.)
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian dollars)

		Years Ended November 30		
	Note	**2023**	**2022**	**2021**
OPERATING EXPENSES				
General and administrative	17	$ 1,070,574	$ 826,439	$ 2,245,589
Business development	17	386,991	114,665	508,545
Total operating expenses		1,457,565	941,104	2,440,508
OTHER INCOME (EXPENSE)				
Impairment loss	6	(209,702)	-	-
Interest income	6	3,765	-	-
Gain on debt forgiveness	8, 10	62,500	222,771	-
Foreign exchange gain (loss)		(3,068)	(135)	(29,374)
Total other income (expense)		(146,505)	222,636	(29,374)
Loss from continuing operations		(1,604,070)	(718,468)	(2,783,508)
Gain (loss) from discontinued operations - loss of control	3	995,142	(1,949,330)	(2,191,326)
Net loss for the year		**$ (608,928)**	**$ (2,667,798)**	**$ (4,974,834)**
OTHER COMPREHENSIVE LOSS				
Foreign currency translation gain (loss)		(25,131)	(71,262)	30,603
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**$ (634,059)**	**$ (2,739,060)**	**$ (4,944,231)**
Loss per share from continuing operations, Basic and Diluted		$ (0.02)	$ (0.05)	$ (0.09)
Earnings (Loss) per share from discontinued operations – loss of control, Basic		$ 0.01	$ (0.03)	$ (0.04)
Earnings (Loss) per share from discontinued operations – loss of control, Diluted		$ 0.01	$ (0.03)	$ (0.04)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – continuing operations, Basic and Diluted		86,795,825	59,310,826	53,075,143
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – discontinued operations, Basic		86,795,825	59,310,826	53,075,143
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – discontinued operations, Diluted		126,769,515	59,310,826	53,075,143

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

AETHER GLOBAL INNOVATIONS CORP. (formerly Plymouth Rock Technologies Inc.)

Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian dollars)

	Share capital (Note 12)			Reserves				
	Number of shares	Amount	Contributed Surplus	Warrants	Options	Accumulated 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)
Shares issued for warrants exercised	6,129,572	1,332,727	-	-	-	-	-	1,332,727
Fair value of warrants exercised	-	36,859	(36,859)	-	-	-	-	-
Shares issued for options exercised	425,000	222,500	-	-	-	-	-	222,500
Fair value of options exercised	-	158,106	(158,106)	-	-	-	-	-
Shares issued for cash	8,930,000	2,749,000	287,499	-	-	-	-	3,036,499
Fair value of broker warrants issued	-	(174,427)	174,427	-	-	-	-	-
Shares issued to finders	336,250	(100,500)	-	-	-	-	-	(100,500)
Finders' Fee	-	(74,180)	-	-	-	-	-	(74,180)
Shares issued as compensation	656,250	307,734	-	-	-	-	-	307,734
Fair value of stock options granted	-	-	1,144,342	-	-	-	-	1,144,342
Net loss for the year	-	-	-	-	-	(4,974,834)	-	(4,974,834)
Foreign currency translation gain	-	-	-	-	-	-	30,603	30,603
Balance, November 30, 2021	**59,239,336**	**11,834,582**	**2,709,790**	**-**	**-**	**(13,867,597)**	**96,393**	**772,803**
Shares issued as compensation	78,125	17,189	-	-	-	-	-	17,189
Net loss for the year	-	-	-	-	-	(2,667,798)	-	(2,667,798)
Foreign currency translation gain	-	-	-	-	-	-	(71,262)	(71,262)
Balance, November 30, 2022	**59,317,461**	**11,851,771**	**2,709,790**	**-**	**-**	**(16,535,760)**	**25,131**	**(1,949,068)**
Shares issued as compensation	2,600,000	169,000	-	-	-	-	-	169,000
Shares issued for cash	43,587,000	2,278,420	-	-	-	-	-	2,278,420
Share issuance costs	-	(233,403)	-	-	-	-	-	(233,403)
Fair value of warrants issued	-	(149,340)	-	149,340	-	-	-	-
Fair value of stock options granted	-	-	-	-	99,588	-	-	99,588
Net loss for the year	-	-	-	-	-	(608,928)	-	(608,928)
Foreign currency translation loss	-	-	-	-	-	-	(25,131)	(25,131)
Balance, November 30, 2023	**105,504,461**	**13,916,448**	**2,709,790**	**149,340**	**99,588**	**(17,144,688)**	**-**	**(269,522)**

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

(Expressed in Canadian dollars)

	Years ended November 30		
	2023	**2022**	**2021**
Cash Flows from Operating Activities			
Net loss for the year	$ (608,928)	$(2,667,798)	$(4,974,834)
Adjustments to reconcile net loss to net cash used in operating activities:			
Gain from loss of control of subsidiaries	(995,142)	-	-
Stock based compensation	99,588	-	1,144,342
Foreign exchange gain	(25,131)	(71,262)	-
Gain on debt forgiveness	(62,500)	(222,771)	-
Shares issued as compensation	169,000	-	-
Impairment loss	209,702	-	-
Consulting fees	-	17,189	307,734
Changes in operating assets and liabilities:			
Sales tax receivable	3,257	(3,525)	(5,130)
Prepaid expenses	(152,925)	120,310	(116,136)
Due from related parties	-	-	2,500
Due to related parties	325,742	28,326	-
Accounts payable and accrued liabilities	(924,237)	(19,847)	122,411
Net cash used in operating activities - continuing operations	(1,961,574)	(2,819,378)	(3,519,113)
Net cash provided by (used in) operating activities - discontinued	(764,435)	2,405,354	78,011
Net cash used in operating activities	**(2,726,009)**	**(414,024)**	**(3,441,102)**
Cash Flows from Investing Activities			
Long-term receivables	(209,703)	-	-
Net cash used in investing activities-continuing operations	(209,703)	-	-
Net cash provided by (used in) investing activities - discontinued	995,142	-	(573,343)
Net cash provided by (used in) investing activities	**785,439**	**-**	**(573,343)**
Cash Flows from Financing Activities			
Shares issued for cash	2,278,420	-	4,417,046
Share issuance costs	(233,403)	-	-
Loan payable	(79,019)	105,000	-
Net cash provided by financing activities-continuing operations	1,965,998	105,000	4,417,046
Net cash used in financing activities- discontinued	-	(34,701)	(90,604)
Net cash provided by financing activities	**1,965,998**	**70,299**	**4,326,442**
Increase (decrease) in cash	25,428	(343,725)	311,997
Effect of foreign exchange rate changes on cash	-	(18,194)	38,336
Cash, beginning of the year	13,127	375,046	24,713
Cash, end of the year	**$ 38,555**	**$ 13,127**	**$ 375,046**

Supplemental cash flow information – Note 14

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aether Global Innovations Corp. (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.

On August 1, 2023, the Company changed its name to Aether Global Innovation Corp. from Plymouth Rock Technologies Inc.

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

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 December 1, 2022, the Company lost control over PRT USA, PRT UK, and Tetra. Hence, the Company has discontinued the above subsidiaries according to the requirements of IFRS 10 (Note 3).

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.

<u>Going Concern</u>

These 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. The Company has incurred losses since inception and has a comprehensive loss of $634,059 for the year ended November 30, 2023, and had an accumulated deficit of $17,144,688 as at November 30, 2023. 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 management plans to continue reviewing 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 cast 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 from the date of the issuance of the financial statement, and therefore, must rely on securing additional funds from either issuance of debt or equity financing for cash consideration. During the year ended November 30, 2023, the Company received net cash proceeds of $1,965,998 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 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.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements ("Financial Statements") have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These Financial Statements are authorized for issue by the Board of Directors on May 15, 2024.

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.

Critical 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. MATERIAL ACCOUNTING POLICIES (continued)

Critical accounting judgments, estimates and assumptions (continued)

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

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 year ended November 30, 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 issuance of the financial statements.

2. MATERIAL ACCOUNTING POLICIES (continued)

(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.

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 subsidiaries up to the date the Company had 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).

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.

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		

2. MATERIAL ACCOUNTING POLICIES (continued)

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.

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 on the Company's cash position.

2. MATERIAL ACCOUNTING POLICIES (continued)

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 for diluted earnings (loss) per share 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 calculation of diluted earnings (loss) per shares is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

Financial instruments

Financial assets

a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

b) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company’s financial assets measured at amortized cost are comprised of its cash and trade and other receivables, net. The Company’s financial liabilities measured at amortized cost are comprised of its accounts payable and accrued liabilities, loans payable, loans payable – related party, convertible debt, convertible debt – related parties, silent partnerships, silent partnerships – related party and lease liabilities.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

2. MATERIAL ACCOUNTING POLICIES (continued)

Debt instruments at FVTOCI

These assets are initially measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses associated with changes in fair value are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Company does not hold any debt instruments at FVTOCI.

Equity instruments at FVTOCI

These assets are initially measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses associated with changes in fair value are recognized in OCI and are never reclassified to profit or loss. The Company does not hold any equity instruments at FVTOCI.

c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

d) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flow from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

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. MATERIAL ACCOUNTING POLICIES (continued)

<u>Interest</u>

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 a gross basis.

<u>Offsetting</u>

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.

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 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

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 the 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.

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 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

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 a component of the reporting entity is disposed of as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on a reporting entity's operations and financial results. 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

Loss from discontinued operations is 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.

2. MATERIAL 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") – *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. DISCONTINUED OPERATIONS – LOSS OF CONTROL

During first two quarters of fiscal year ending November 30, 2023, the Company did a full review on UK Operations (PRT UK and Tetra Drones) to mitigate further losses on these subsidiaries. After months of discussion, the Board decided that to protect the interest of shareholders, the Company will be better off putting the UK subsidiaries under liquidation. Therefor on June 16, 2023, the Company announced its decision to close down previously controlled subsidiaries, PRT UK and Tetra Drones as a result of the move towards a drone management and monitoring solutions business. On July 6, 2023, pursuant to a special resolution by its Directors, PRT UK was wound up voluntarily and appointed liquidators in the UK for the purposes of such winding up. On September 4, 2023, pursuant to a special resolution by its Directors, Tetra Drones was also put into liquidation.

Similarly, due to difficulty in obtaining complete and accurate books and records, resignation of key management personnel in the US Subsidiary, on July 20, 2023, the Company announced that it has also ceased operations with its U.S. Subsidiary, PRT USA.

During the third quarter of fiscal year ending November 30, 2023, the Company determined that based on their decision to put PRT UK and Tetra Drones into liquidation and to cease operations with PRT USA, the Company no longer has control over the operations of the said subsidiaries and there is no intent from management to continue operating these businesses. The Company assessed the date of loss of control and determined it be December 1, 2022 as no reliable financial records and supporting documents were accessible from the three subsidiaries for financial reporting purposes subsequent to November 30, 2022.

(Expressed in Canadian Dollars)

3. DISCONTINUED OPERATIONS – LOSS OF CONTROL (continued)

Discontinued Operations

As a result of loss of control, the Company considered its PRT UK, PRT USA and Tetra Drones 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.

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.

During the year ended November 30, 2023, the gain (loss) from discontinued operations – loss of control presented in the statement of loss and comprehensive loss is broken down as follows:

	Year ended November 30		
	2023	**2022**	**2021**
Net Gain (Loss) from discontinued operations – loss of control	**$ 995,142**	**$ (1,949,330)**	**$ (2,191,326)**

The results of operations of PRT USA, PRT UK and Tetra Drones for the years ended November 30, 2023, 2022 and 2021 were presented separately as loss from discontinued operations of subsidiaries – loss of control in the consolidated statements of loss and comprehensive loss. The amounts are broken down as follows:

	For the years ended November 30		
	2023	**2022**	**2021**
Sales	$ -	$ 607,359	$ 184,396
Cost of sales	-	(191,175)	(103,109)
Gross Profit	-	416,184	81,287
OPERATING EXPENSES			
General and administrative	-	1,519,539	1,074,492
Business development	-	62,763	200,465
Research and development	-	233,264	985,006
Total expenses	-	1,815,566	2,259,963
OTHER INCOME (EXPENSES)			
Impairment loss on Demo Equipment	-	(236,677)	-
Impairment of intangible asset	-	(330,650)	-
Other Income	-	5,042	-
Gain on debt forgiveness	-	11,532	-
Foreign exchange gain (loss)	-	805	(12,650)
Total other income (expense)	-	(549,948)	(12,650)
Loss from discontinued operations	**$ -**	**$ (1,949,330)**	**$ (2,191,326)**

After the loss of control, the Company also deconsolidated the net liabilities of the previously controlled subsidiaries for financial reporting purposes. The Company did not receive anything from the disposal of its investments. This then resulted in a gain from loss of control of subsidiaries for the year ended November 30, 2023.

(Expressed in Canadian Dollars)

3. DISCONTINUED OPERATIONS – LOSS OF CONTROL (continued)

Gain from loss of control of subsidiaries

The resulting gain from the loss of control of subsidiaries for the year ended November 30, 2023, is broken down as follows:

	PRT USA	PRT UK	Tetra Drones	Total
Net liabilities before loss of control of subsidiaries	$4,870,623	$1,481,194	$ 227,907	$6,579,724
Foreign currency translation adjustments	(123,484)	25,310	3,023	(95,151)
Less: Receivables from subsidiaries	(4,248,018)	(1,120,913)	(120,500)	(5,489,431)
Gain from loss of control of subsidiaries	**$ 499,121**	**$ 385,591**	**$ 110,430**	**$ 995,142**

(a) PRT USA

During the year ended November 30, 2023, following the loss of control over PRT USA, the Company derecognized its investment in this subsidiary. The Company has not received any consideration on the disposal of its investment. As such, the total carrying value of the net liabilities of PRT USA of $4,870,623 was recognized as a gain on loss of control of the subsidiaries in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2023.

Additionally (or Further), as at November 30, 2023, the parent company had a receivable from PRT USA amounting to $4,248,018. Due to uncertainty surrounding collectability, the Company impaired this intercompany receivable and reported it as part of gain from loss of control in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2023. After accounting for foreign exchange translation losses, the gain from loss of control recognized in the consolidated statements of loss and comprehensive loss amounted to $499,121 (2022 - $Nil).

	As at December 1, 2022
ASSETS	
Current Assets	
Cash, cash equivalents, and restricted cash	$ 9,700
Prepaid expenses	8,313
Account receivable	6,831
Inventories	2,163
Total current assets of discontinued operations	27,007
Non-current assets	
Equipment	5,919
Right of use asset	38,189
Total non-current assets of discontinued operations	44,108
Assets of discontinued operations	**$ 71,115**
LIABILITIES	
Liabilities	
Accounts payable	$ 284,181
Lease liability	671,205
Due to related parties	4,608,071
Liabilities of discontinued operation	**4,941,738**
Carrying value of net liabilities immediately prior to loss of control of subsidiary	**$ 4,870,623**
Receivable from PRT USA	(4,248,018)
Reclassification of foreign currency translation	(123,484)
Gain from loss of control of PRT USA	**$ 499,121**

(Expressed in Canadian Dollars)

3. DISCONTINUED OPERATIONS – LOSS OF CONTROL (continued)

(b) PRT UK

During the year ended November 30, 2023, following the loss of control over PRT UK, the Company derecognized its investment in this subsidiary. The Company has not received any consideration on the disposal. As such, the total value of the net liabilities of PRT UK was recognized as a gain on loss of control of the subsidiaries in the consolidated statements of loss and comprehensive loss. As such, the total carrying value of the net liabilities of PRT UK of $1,481,194 was recognized as a gain on loss of control of the subsidiaries in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2023.

Additionally, as at November 30, 2023, the parent company had a receivable from PRT UK amounting to $1,120,913. Due to uncertainty surrounding collectability, the Company impaired this intercompany receivable and reported it as part of gain from loss of control in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2023. After accounting for foreign exchange translation gains, the gain from loss of control recognized in the consolidated statements of loss and comprehensive loss amounted to $385,591 (2022 - $Nil).

	As at **December 1, 2022**	
ASSETS		
Current Assets		
Cash, cash equivalents, and restricted cash	$	3,852
Prepaid expenses		8,983
Total current assets of discontinued operations		12,835
Non-current assets		
Equipment		9,171
Right of use asset		24,686
Total non-current assets of discontinued operations		33,857
Assets of discontinued operations	**$**	**46,692**
LIABILITIES		
Current Liabilities		
Accounts payable	$	455,062
Current Lease Liability		26,456
Due to related parties		919,436
Deferred revenue		124,918
Liabilities of discontinued operations	**$**	**1,527,886**
Carrying value of net liabilities immediately prior to loss of control of subsidiary	**$**	**1,481,194**
Receivable from PRT UK		(1,120,913)
Foreign exchange gains		25,310
Gain from loss of control of PRT UK	**$**	**385,591**

(Expressed in Canadian Dollars)

3. DISCONTINUED OPERATIONS – LOSS OF CONTROL (continued)

(c) Tetra Drones

On December 1, 2022, following the loss of control over Tetra Drones, the Company derecognized its investment in this subsidiary. The Company has not received any consideration on the disposal. As such, the total value of the net liabilities of Tetra Drones was recognized as a gain on loss of control of the subsidiaries in the consolidated statements of income (loss) and comprehensive income (loss). As such, the total carrying value of the net liabilities of PRT UK of $227,907 was recognized as a gain on loss of control of the subsidiaries in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2023.

Additionally, as at November 30, 2023, the parent company had a receivable from Tetra Drones amounting to $120,500. Due to uncertainty surrounding collectability, the Company impaired this intercompany receivable and reported it as part of gain from loss of control in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2023. After accounting for foreign exchange translation gains, the gain from loss of control recognized in the consolidated statements of loss and comprehensive loss amounted to $110,430 (2022 - $Nil).

		As at December 1, 2022
ASSETS		
Current Assets		
Sales tax receivable	$	435
Total current assets of discontinued operations		435
Non-current assets		
Equipment		9,982
Total non-current assets of discontinued operations		9,982
Assets of discontinued operations	**$**	**10,417**
LIABILITIES		
Current Liabilities		
Bank Overdraft	$	16,294
Accounts payable		12,043
Due to related parties		209,738
Loan payable - current		249
Liabilities of discontinued operations	**$**	**238,324**
Carrying value of net liabilities immediately prior to loss of control of subsidiary	**$**	**227,907**
Receivable from Tetra Drones		**(120,500)**
Foreign exchange gains		**3,023**
Gain from loss of control of Tetra Drones	**$**	**110,430**

(Expressed in Canadian Dollars)

4. PREPAID EXPENSES

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

	November 30, 2023	November 30, 2022
Advertising and promotions	$ -	$ 113
Investor relations	85,510	-
Professional fees	7,469	-
Consulting fees	80,000	-
Rent	-	8,247
Transfer agent and filing fees	7,143	13,748
Insurance	3,750	8,839
	$ 183,872	$ 30,947

The prepayments for advertising and business development include prepayments for marketing and awareness programs handled by an arms' length parties for a six to twelve-month period. Consulting fees consist of prepayment for advisory services to develop new business relationships and general business consulting services to the company. Investor relations fees consist of prepayment for consultants for strategic investor discussions and market awareness of the Company. 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

Equipment refers to various computer, furniture, vehicles, leasehold improvements and demo equipment used by the previously-controlled subsidiaries (Note 3), in the ordinary course of business.

As at November 30, 2023, the Company derecognized property, plant and equipment with a net book value of $24,801 in connection with loss of control of its subsidiaries (Note 3).

	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
Disposals due to discontinued operations	(23,392)	(19,667)	-	(3,703)	(245,558)	(292,320)
Balance at November 30, 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
Disposals due to discontinued operations	(13,367)	(9,092)	-	(1,486)	(245,558)	(269,503)
Balance at November 30, 2023	**-**	**-**	**-**	**-**	**-**	**-**
Net Book Value:						
At November 30, 2022	11,437	11,004	-	2,360	-	24,801
At November 30, 2023	**-**	**-**	**-**	**-**	**-**	**-**

6. LONG-TERM RECEIVABLE

During the year ended November 30, 2023, the Company provided facility agreements with a third party to fund the latter's new and existing business opportunities. This solidifies the Company's commitment to further its partnership with the third party and the move towards autonomous drone applications through further development of a dedicated drone docking station.

On May 29, 2023, the Company signed a facility agreement with a third party wherein the Company will provide a total of £50,000 ($84,929). 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.

On July 25, 2023, the Company signed another facility agreement with a third party wherein the Company will provide a total of £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.

On August 11, 2023, the Company signed another facility agreement with a third party wherein the Company will provide £15,000 for general corporate purposes and it has sent a total of £15,000 ($26,017). The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 1.5% of the diluted share capital of the third party.

On September 28, 2023, the Company signed another facility agreement with a third party wherein the Company will provide £10,000 for general corporate purposes and it has sent a total of £10,000 ($17,093). The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 1% of the diluted share capital of the third party.

On November 24, 2023, the Company signed another facility agreement with a third party wherein the Company will provide £10,000 for general corporate purposes and it has sent a total of £10,000 ($17,749). The agreement provides for a 5% annual interest rate and the Company has the option to convert the full amount to 1% of the diluted share capital of the third party.

As at November 30, 2023, the Company has loaned to the third party a total of £122,203 ($209,702) including the interest incurred of £2,203 ($3,765). No conversion was made as at year ended November 30, 2023. However, due to uncertainty surrounding collectability, the Company recognized impairment loss in the consolidated statements of loss and comprehensive loss amounting to $209,702 (Note 20).

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE

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

	November 30, 2023	November 30, 2022
Professional fees	$ 22,116	$ 382,805
Funds to be returned to investors	43,046	43,046
Advertising costs	2,520	34,705
Payroll	-	268,610
Development costs	-	168,925
Bank overdraft	-	16,036
VAT Payable	-	61,262
Purchases	-	2,121
Rent	-	1,822
Others	9,444	84,531
	$ 77,126	**$ 1,063,863**

8. DEFERRED REVENUE

As of November 30, 2022, the former subsidiary, PRT UK had an advance payment from their customers as consideration for the Company's product and services to be rendered in the future date amounting to $124,918. The company had classified the above customer advance as Deferred Revenue for the year ended November 30, 2022. On December 1, 2022, the company had lost control over PRT UK and accordingly recognized the balance of $124,918 as part of the gain on disposal of subsidiaries in the consolidated statements of income (loss) and comprehensive income (loss) (Note 3).

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 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.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

As at November 30, 2023, $372,650 (November 30, 2022– $705,672) are due to directors and officers of the Company:

	November 30, 2023	November 30, 2022
Company controlled by the President and CEO	$ 6,077	$ 78,750
Director and Chairman	-	1,731
Former CFO of the Company	-	67,540
Former interim CEO of the Company	-	250,179
Former CEO and Director	361,573	307,472
Company controlled by a director	5,000	-
	$ 372,650	**$ 705,672**

During the years ended November 30, 2023, and 2022 and 2021, the Company entered into the following transactions with related parties:

	November 30, 2023	November 30, 2022	November 30, 2021
Management fees	$ 92,127	$ -	$ 55,000
Consulting fees	47,500	135,000	307,734
Accounting fees	63,844	-	36,202
Professional fees	10,429	-	-
Stock-based compensation	57,425	-	410,132
Salaries and benefits	54,100	330,337	313,626
Others	7,144	-	5,000
	$ 332,569	**$ 465,337**	**$ 1,127,694**

Management fees consisted of the following:

	November 30, 2023	November 30, 2022	November 30, 2021
Company controlled by the President and CEO	$ 35,000	$ -	$ -
CFO	30,000	-	
Former Interim CEO	27,127	-	-
Former CFO of the Company	-	-	55,000
	$ 92,127	**$ -**	**$ 55,000**

Consulting fees consisted of the following:

	November 30, 2023	November 30, 2022	November 30, 2021
Company controlled by the President and CEO	$ 47,500	$ 75,000	$ -
Company controlled by the Former Corporate Secretary	-	60,000	-
Director	-	-	307,734
	$ 47,500	**$ 135,000**	**$ 307,734**

Accounting fees of $63,844 (2022 - $Nil and 2021 - $36,202) were paid or accrued to a company controlled by a director.

During the year ended November 30, 2023, the Company entered into a loan agreement with the CEO for $6,000 and an interest of 10%. The loan was repaid within the year and all accrued interest was forgiven (Note 10).

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Professional fees consisted of the following:

	November 30, 2023	November 30, 2022	November 30, 2021
CFO and Former Corporate Secretary	$ 1,000	$ -	$ -
Company controlled by the Corporate Secretary	9,429	-	-
	$10,429	**$ -**	**$ -**

During the year ended November 30, 2023, the Company had 1,850,000 (November 30, 2022 – 1,750,000) stock options held by the Directors and officers of the Company. The amount recognized as expense for these options for the year ended November 30, 2023, 2022, and 2021 are as follows:

	November 30, 2023		November 30, 2022		November 30, 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)**
CEO	800,000	$24,834	-	$ -	-	$ -
CFO	200,000	6,208	-	-	-	-
Corporate Secretary	50,000	1,552	-	-	-	-
Former CEO	-	-	600,000	-	600,000	$ 133,275
Former CFO	-	-	150,000	-	150,000	33,319
Former Corporate Secretary	-	-	150,000	-	150,000	33,319
Directors	800,000	24,868	750,000	-	825,000	210,219
	1,850,000	**$57,462**	**1,650,000***	**$ -**	**1,725,000**	**$ 410,132**

*During the year ended November 30, 2023, 1,650,000 stock options held by the former Directors and former Officers were cancelled due to resignation from their position

Salaries of $54,100 (2022- $330,337 and 2021 - $313,626) were paid or accrued to the Former CEO. Others consisted of: (1) Travel of $3,467 (2022 - $Nil and 2021 - $Nil) paid or accrued to a company controlled by a CEO; (2) Office and general expenses $3,677 (2022 - $Nil and 2021 - $Nil) paid or accrued to a company controlled by the CEO; and (3) Rent of $Nil (2022 - $Nil and 2021 - $5,000) were paid or accrued to a company controlled by a director.

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. The amount is recognized in the statement of loss and comprehensive loss as the consulting fees were approved by the Board in the ordinary course of business and the CEO is not a primary shareholder of the Company.

10. LOANS PAYABLE

Upon acquisition of Tetra Drones (Note 3), the Company assumed the latter's outstanding loan of £13,253 ($21,461) as of November 30, 2022. The collateral of this loan is a vehicle. On October 25, 2022, the loan and the vehicle were released to former shareholder of Tetra Drones in exchange for forgoing the remaining acquisition cost of £140,000 ($222,771). Thus, for the year ended November 30, 2022, the Company's liabilities in the vehicle and the remaining balance in the acquisition cost were extinguished.

For the year ended November 30, 2022, the current loan payable of $127,019 consisted of $75,000 plus interest of $4,019 payable to a third party, which is equal to 12% interest per annum payable on demand. This includes as well the $30,000 plus 60% fixed interest on Principal amount totaling $18,000 due to default as per agreement.

During the year ended November 30, 2023, the Company made a full repayment of the loan to a third party entered in August 2022 amounted to $81,238 that consists of $75,000 plus interest of $6,238 equal to 12% interest per annum.

During the year ended November 30, 2023, the Company entered into loan agreements with third parties amounting to $4,000 and from the CEO amounting to $6,000 (Note 9) with interest of 10% per annum. The loans were repaid within the year and interest accrued were forgiven on these loans.

As at November 30, 2023, the Company has outstanding loan payable of $48,000 (2022 – $127,019) which consist 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 November 30, 2023, there were 105,504,461 common shares issued and outstanding (November 30, 2022 – 59,317,461).

During the year ended November 30, 2023:

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 the closing of the Offering. The company has paid cash finders fees of $59,442, legal fees of $8,082 and and 990,700 finders' b-warrants were paid on a portion of the Offering.

12. SHARE CAPITAL (continued)

(a) Common Shares (continued)

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 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 the closing of the Offering. The company has paid cash finders fees of $95,900 and legal fees of $17,500 and and 2,648,000 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 three (3) years from closing of the Offering.

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 the closing of the Offering. The company has paid cash finders fees of $46,500 and legal fees of $6,000 and 200,000 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 three (3) years from closing of the Offering.

<u>During the year ended November 30, 2022:</u>

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.

<u>During the year ended November 30, 2021:</u>

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 an 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.

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.

12. SHARE CAPITAL (continued)

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 year ended November 30, 2023:

On October 19, 2023, the Company granted 1,000,000 incentive stock options vesting immediately to a consultant with an exercise price of $0.05 per share for a period of three years from the date of grant. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of $0.02351, volatility 91%, risk-free rate 4.91%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $23,540.

On August 18, 2023, the Company granted 2,450,000 incentive stock options to Directors, Officers and consultants with an exercise price of $0.05 per share for a period of three years from the date of grant. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of $0.03104, volatility 96%, risk-free rate 4.51%, dividend yield 0%, and expected life of 3 years. With these assumptions, the fair value of options was determined to be $76,048. 1,800,000 stock options issued to Directors and Officers vest immediately and 650,000 stock options issued to consultants vests in 4 months.

During the year ended November 30, 2023, 2,200,000 options, 1,550,000 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 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 consolidated statements of loss and comprehensive loss for the year ended November 30, 2021.

Stock-based compensation recognized in profit or loss for the year ended November 30, 2023, amounted to $37,405 (2022 – $Nil; and 2021 – $1,144,342).

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(b) Stock Options (continued)

Stock option transactions and the number of stock options outstanding as at November 30, 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	(3,900,000)		0.66
Granted	3,450,000		0.04
Balance, November 30, 2023	**3,575,000**	**$**	**0.06**

The following summarizes the stock options outstanding at November 30, 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	0.03	0.02
August 18, 2026	0.05	2,450,000	2,357,917	1.86	0.03
October 19, 2028	0.05	1,000,000	1,000,000	1.37	0.01
		3,575,000	**3,482,917**	**3.26**	**0.06**

c) Share purchase warrants

During the year ended November 30, 2023:

On July 24, 2023, pursuant to the closing of the private placement, the Company issued 9,907,000 common share purchase warrants. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.10 per share for a period of 5 years following the date of the issuance. The Company has allocated 100% proceeds to common share and $Nil to share purchase warrants by adopting the residual approach.

On July 24, 2023, pursuant to the finder's agreement in relation to the Offering, the Company issued 990,700 share warrants to the agent with an exercise price of $0.10 for a period of 5 years from the date of issuance. The share warrants were valued at $45,364 using Black-Scholes Option Pricing model with the following assumptions: average risk-free rate – 3.9%; expected life – 5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – $Nil.

On March 30, 2023, pursuant to the closing of the private placement, 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 (3) years from the closing of the Offering. The Company has allocated 100% proceeds to common share and $Nil to share purchase warrants by adopting the residual approach.

12. SHARE CAPITAL (continued)

On March 30, 2023, pursuant to the agency agreement in relation to the Offering, the Company issued 2,648,000 share warrants to the agent with an exercise price of $0.10 for a period of 3 years from the date of issuance. The share warrants were valued at $94,537 using Black-Scholes Option Pricing model with the following assumptions: average risk-free rate – 3.53%; expected life – 3 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – $Nil.

On March 27, 2023, pursuant to the closing of the private placement, 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 for three (3) years from closing of the Offering. The Company has allocated 100% proceeds to common share and $Nil to share purchase warrants by adopting the residual approach.

On March 27, 2023, pursuant to the agency agreement in relation to the Offering, the Company issued 200,000 share warrants to the agent with an exercise price of $0.10 for a period of 3 years from the date of issuance. The share warrants were valued at $9,439 using Black-Scholes Option Pricing model with the following assumptions: average risk-free rate – 3.4%; expected life – 3 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – $Nil.

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.

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.

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(c) Share purchase warrants (continued)

Share purchase warrant transactions and the number of share purchase warrants outstanding as of November 30, 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
Granted	47,425,700		0.10
Balance, November 30, 2023	**56,855,860**	**$**	**0.14**

The following summarizes the stock warrants outstanding at November 30, 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	0.12	0.01
March 27, 2026	0.10	7,400,000	0.30	0.01
March 30, 2026	0.10	29,128,000	1.19	0.05
August 9, 2026	0.50	6,242,000	0.30	0.05
July 24, 2028	0.10	10,897,700	0.89	0.02
		56,855,860	**2.80**	**0.14**

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.

13. FINANCIAL RISK MANAGEMENT (continued)

For the years ended November 30, 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.

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 $20,587 (2022 – $7,464 and 2021 – $26,633).

(Expressed in Canadian Dollars)

14. SUPPLEMENTAL CASH FLOW INFORMATION

During the years ended November 30, 2023, 2022 and 2021, the Company has the following non-cash investing and financing activities:

For the years ended	November 30, 2023	November 30, 2022	November 30, 2021
Non-cash financing activities:			
Fair value of options granted and vested	$99,588	$ 17,189	$1,144,342
Fair value of options exercised	-	-	158,106
Fair value of warrants granted	149,340	-	174,427
Fair value of warrants exercised	-	-	36,859
Shares issued to finders	-	-	100,500
Shares issued as compensation	169,000	17,189	307,734

For the years ended	November 30, 2023	November 30, 2022	November 30, 2021
Cash payments for:			
Interest	$ 6,238	$ -	$ -
Taxes	-	-	-

15. COMMITMENTS AND CONTINGENCIES

The Company has certain commitments related to key management compensation (management fees) for $10,000 per month with no specific expiry of terms (Note 9).

During the year ended November 30, 2023, the Company, entered into joint venture agreements (“JVA”) with third parties for the purpose of exploring opportunities to incorporate unmanned aerial vehicles/drones and docking stations with a software and with the vehicle-mounted solution. To the date of this report, the JVAs have yet to produce a product under these agreements and are under negotiation. Hence, no material transactions have been recognized in relation to these JVAs in the financial statements. One of the third parties initially cancelled the agreements on February 16, 2024. Subsequently, the Company and the said third party have been in discussions surrounding all existing agreements. As of report date, there is no conclusion yet on the negotiations between the parties.

(Expressed in Canadian Dollars)

16. 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 (Note 3)

During the year ended November 30, 2023, the Company has disposed of its UK and US subsidiaries (Note 3) 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 year ended November 30, 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
Cumulative translation adjustment	1,677
Disposal of net liabilities due to loss of control	(62,875)
Balance, November 30, 2023	**$ -**

Lease liabilities

The following is the continuity of lease liability, for the years ended November 30, 2023, and 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
Cumulative translation adjustment		145
Disposal of net liabilities due to loss of control		(75,942)
Balance, November 30, 2023	**$**	**-**

(Expressed in Canadian Dollars)

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

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

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

17. BREAKDOWN OF EXPENSES

		Years Ended November 30		
General and Administrative Expenses	**Note**	**2023**	**2022**	**2021**
Accounting and audit fees	9	$ 92,723	$ 192,403	$ 73,202
Consulting fees	9	136,475	138,523	328,805
Investor relations		261,908	-	-
General office expenses		20,209	31,160	13,033
Insurance		11,180	16,065	11,401
Legal fees		224,140	51,603	152,144
Management fees	9	92,127	-	118,000
Rent		6,000	6,963	10,726
Salaries and benefits	9	54,100	330,337	313,626
Stock-based compensation	9, 12	99,588	-	1,144,342
Transfer agent and filing fees	12	63,912	59,385	80,310
Travel		8,212		
Total		**$1,070,574**	**$ 826,439**	**$ 2,245,589**

Business development expenses amounting to $386,991 (2022 - $114,665; 2021 - $508,545) relate to corporate marketing and strategic investment initiatives done by the Company to build new businesses.

(Expressed in Canadian Dollars)

18. SEGMENTED INFORMATION

Following the loss of control of subsidiaries (Note 3) during the year ended November 30, 2023, the Company operates in one business segment, focusing on drone management and automation services 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.

19. INCOME TAXES

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of operations and comprehensive loss for the years ended November 30, 2023, 2022 and 2021:

	2023	2022	2021
Net loss before tax and comprehensive loss	$(608,928)	$ (2,667,798)	$ (4,974,834)
Statutory tax rate	27%	27%	27%
Expected income tax (recovery)	$(164,000)	$ (720,000)	$ (1,343,000)
Permanent differences	(185,000)	617,000	985,000
Non-deductible items and others	1,848,000	1,436,000	1,331,000
Share issuance costs	63,000	-	-
Change in deferred tax assets not recognized	(1,562,000)	(1,333,000)	(973,000)
Income tax expense (recovery)	**$ -**	**$ -**	**$ -**

Significant components of the Company's unrecognized deferred tax assets (liabilities) for the years ended November 30, 2023, and 2022 are shown below:

	2023	2022
Non-capital losses	$ 1,745,000	$ 1,367,000
Capital losses	21,000	21,000
Share issuance costs	82,000	48,000
Unrecognized deferred tax assets	(1,848,000)	(1,436,000)
Net deferred tax assets	**$ -**	**$ -**

Non-capital losses carryforward

The Company has non-capital loss carryforwards and net operating losses, for which no deferred tax asset has been recognized of approximately $6,464,410 (2022 - $5,061,190) which may be carried forward to apply against future income of the Company, subject to the final determination by taxation authorities, expiring in the following years:

Expiry	November 30, 2023
2038	$ 675,203
2039	941,464
2040	1,561,728
2041	1,412,265
2042	470,530
2043	1,403,221
Total	**$ 6,464,410**

20. SUBSEQUENT EVENTS

On December 1, 2023, the Company entered into a consulting service agreement with third party requiring the latter to render business advisory and consulting services of up to 50 hours per month with monthly compensation of $3,500 and 1,560,000 Free trading Restricted Stock Units (RSUs) over the course of 6 months issued at the market price on the contract signing date.

On December 20, 2023, the Company entered into a 90-day loan agreement with a Director amounting to $5,000 with interest of 10% per annum. On March 19, 2024, the terms were amended to extend the loan repayment date to June 19, 2024.

On January 8, 2024, the Company entered into a 90-day loan agreement with a third party amounting to $5,000 with interest of 10% per annum. On April 7, 2024, the terms were amended to extend the loan repayment date to July 7, 2024.

On March 5, 2024, pursuant to the facility agreements with a third party, the Company issued a conversion notice to borrower requiring the latter to convert the principal amount of $205,939 (£120,000) plus estimated accrued interest of $6,360 (£3,716) as at the date of this notice into fully paid ordinary shares in the capital of IDI. As of the date of this report, the shares have not been issued and the previously agreed upon conversion rate is still under negotiations with IDI.

On March 14, 2024, the Company announced the non-brokered private placement financing of up to 10,000,000 units (the “Units”) of securities at a price of $0.05 CAD per Unit for aggregate gross proceeds of up to $500,000.00 (the “Offering”). Each Unit is comprised of one (1) common share and one (1) fully transferable purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.10 for five (3) years from the closing of the Offering. Finder’s fee may be payable on a portion of the offering at the discretion of the Company.

On March 15, 2024, the Company entered into a 90-day loan agreement with a third party amounting to $5,000 with interest of 10% per annum.

On March 28, 2024, the Company entered into a 90-day loan agreement with a third party amounting to $5,000 with interest of 10% per annum.

On April 10, 2024, the Company entered into a 90-day loan agreement with a third party amounting to $20,000 with interest of 10% per annum.

On April 11, 2024, the Company entered into a 60-day loan agreement with its Chairman of the Board amounting to $9,636 (US $7,000) with interest of 10% per annum.

On April 30, 2024, the Company entered into a 60-day loan agreement with a third party for $30,000 with interest of 12% per annum. The loan includes an option to convert into common shares of the Company equal to 100% of the principal amount of the loan plus all outstanding interest at the lowest price per share allowable under the policies of the CSE. The Company will issue a loan bonus of 50,000 commons shares to the lender.

On April 30, 2024, 200,000 stock options with exercise price of $0.05 were cancelled.

On May 1, 2024, the Company entered into a 60-day loan agreement with a third party for $15,000 with interest of 10% per annum.

On May 3, 2024, the Company entered into a 60-day loan agreement with a third party for $20,000 with interest of 10% per annum.