

**FIRST RESPONDER TECHNOLOGIES INC.**

**FORM 2A**

**LISTING STATEMENT**

**January 14, 2020**

## NOTE TO READER

This Listing Statement contains a copy of the Prospectus of FIRST RESPONDER TECHNOLOGIES INC. (the “**Company**”) dated November 14, 2019 filed with the British Columbia Securities Commission, Alberta Securities Commission and Ontario Securities Commission on November 19, 2019 (the “**Prospectus**”). Certain sections of the Canadian Securities Exchange (the “**Exchange**”) form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Company required by the Exchange, as well as updating certain information contained in the Prospectus.

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**APPENDIX A**

**FIRST RESPONDER TECHNOLOGIES INC.**

**Final Long Form Prospectus dated November 14, 2019**

See attached.

*This Prospectus (as hereinafter defined) constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. **No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.***

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States.*

## PROSPECTUS

INITIAL PUBLIC OFFERING

November 14, 2019



### FIRST RESPONDER TECHNOLOGIES INC.

**Minimum Public Offering: \$3,500,000 / 10,000,000 Units**

**Maximum Public Offering: \$7,000,000 / 20,000,000 Units**

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**Price: \$0.35 per Unit**

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This prospectus (the “**Prospectus**”) is being filed by First Responder Technologies Inc. (the “**Company**” or “**First Responder**”) to qualify the distribution of a minimum of 10,000,000 units of the Company (the “**Minimum Offering**”) and a maximum of 20,000,000 units (the “**Maximum Offering**”, and together with the Minimum Offering, the “**Offering**”), such units being the “**Units**”, at a price of \$0.35 per Unit (the “**Offering Price**”) pursuant to the terms of an agency agreement (the “**Agency Agreement**”) dated November 14, 2019, between PI Financial Corp (the “**Agent**”) and the Company. The Offering Price was determined by negotiation between the Company and the Agent. Each Unit consists of one common share of the Company (a “**Unit Share**”) and one-half of one common share purchase warrant of the Company (each whole warrant being a “**Warrant**”). Each Warrant is exercisable into one common share of the Company (a “**Warrant Share**”) at the price of \$0.50 per Warrant Share, subject to adjustment, on or prior to 5:00 p.m. (Pacific Time) on the date that is 24 months after the Closing Date (as hereinafter defined). The Warrants will be issued under a warrant indenture (the “**Warrant Indenture**”) to be entered into with Computershare Investor Services Inc. (“**Computershare**”).

	Number of Units	Price to the Public	Agent’s Fee <sup>(1) (2)</sup>	Net Proceeds to the Company <sup>(3)</sup>
Per Unit	1	\$0.35	\$0.032375	\$0.317625
Minimum Offering	10,000,000	\$3,500,000	\$306,250	\$3,193,750

	Number of Units	Price to the Public	Agent's Fee <sup>(1) (2)</sup>	Net Proceeds to the Company <sup>(3)</sup>
Maximum Offering	20,000,000	\$7,000,000	\$586,250	\$6,413,750

- (1) Pursuant to the terms and conditions of the Agency Agreement, the Company has agreed to pay the Agent a cash fee (the "Agent's Fee") equal to 8.0% of the gross proceeds of the Offering (\$280,000 in the event of the Minimum Offering and \$560,000 in the event of the Maximum Offering), plus a corporate finance fee of \$25,000 plus GST of \$1,250, payable in cash, on the Closing Date. See "Plan of Distribution".
- (2) As additional consideration, the Agent will be issued non-transferable share purchase warrants (the "Agent's Options") of the Company granted to the Agent, entitling the Agent to subscribe for that number of Common Shares of the Company (the "Agent's Option Shares") equal to 8% of the Units sold by the Company pursuant to the Offering (being 800,000 Agent's Option Shares in the event of the Minimum Offering and 1,600,000 Agent's Option Shares in the event of the Maximum Offering), at an exercise price of \$0.50 per Agent's Option Share at any time up to twenty-four (24) months from the Listing Date. This Prospectus qualifies the distribution of the Agent's Options. See "Plan of Distribution".
- (3) After deducting the Agent's Fee but before deducting expenses of the Offering, estimated to be \$116,000 (exclusive of the Agent's Fee), which expenses will be paid from the proceeds of the Offering.

The following table sets out the securities issuable to the Agent:

Agent's Position	Maximum size or number of securities available for the Maximum Offering	Exercise period or Acquisition date	Exercise price or average acquisition price
Agent's Options	1,600,000 Agent's Options	Twenty-four (24) months following the date on which the Common Shares of the Company are listed on the Canadian Securities Exchange (the "Exchange" or the "CSE")	\$0.50 per Common Share

**There is currently no market through which the Unit Shares and Warrants may be sold and purchasers may not be able to resell the securities purchased under this Prospectus. This may affect the pricing of the Unit Shares and Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Unit Shares and Warrants, and the extent of issuer regulation. Investment in the Unit Shares and Warrants is highly speculative due to various factors, including the nature and early stage of the Company's business. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".**

As at the date of this Prospectus, First Responder does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The CSE has conditionally approved the listing of the Common Shares, the Unit Shares and the Warrant Shares. The Common Shares are anticipated to trade under the symbol "WPN". The listing is subject to the Company fulfilling all of the listing conditions of the CSE. See "Plan of Distribution".

Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal, and other aspects of this investment.

The Agent conditionally offers the Units for sale on a commercially reasonable efforts basis and subject to prior sale, if, as and when issued by the Company, in accordance with the conditions contained in the Agency

Agreement referred to under "Plan of Distribution". Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

If subscriptions representing the Minimum Offering are not received within 90 days of the issuance of a receipt for the final prospectus, or if a receipt has been issued for an amendment to the final prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for the final Prospectus, the Offering will cease. The Agent, pending closing of the Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Minimum Offering is not completed, the subscription proceeds received by the Agent in connection with the Offering will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See "Plan of Distribution".

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Unit Shares and Warrant Shares comprising the Units sold under the Offering will be issued in electronic book entry form through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. Consequently, purchasers of Units will receive a customer confirmation from the registered dealer that is a CDS participant from or through which the Units were purchased and no certificate evidencing the Unit Shares or Warrant Shares will be issued. Registration will be made through the depository services of CDS. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units were purchased as to the number of Unit Shares and Warrant Shares subscribed for. See "Plan of Distribution".

Certain legal matters related to the Offering have been reviewed on behalf of the Company by McMillan LLP of Vancouver, British Columbia, and on behalf of the Agent by Miller Thomson LLP of Vancouver, British Columbia.

The Company's head office is located at Suite 915, 700 West Pender Street, Vancouver, BC, V6C 1G8, and its registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

NO PERSON IS AUTHORIZED BY THE COMPANY OR THE AGENT TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED PURSUANT TO THIS PROSPECTUS.

**Agent for the Offering:**

**PI FINANCIAL CORP.**  
666 Burrard Street  
Suite 1900  
Vancouver, B.C.  
Canada V6C 3N1



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## GLOSSARY OF GENERAL TERMS

**“Agency Agreement”** means the Agency Agreement dated November 14, 2019 between the Agent and the Company.

**“Agent”** means PI Financial Corp.

**“Agent’s Fee”** means the commission payable on closing of the Offering to the Agent in an amount equal to 8.0% of the gross proceeds from the Offering (\$280,000 in the event of the Minimum Offering and \$560,000 in the event of the Maximum Offering), plus a corporate finance fee of \$25,000 plus GST of \$1,250, payable in cash, on the Closing Date.

**“Agent’s Options”** means non-transferable share purchase warrants of the Company granted to the Agent, entitling the Agent to subscribe for that number of Common Shares equal to 8% of the Units to be issued by the Company pursuant to the Offering. Such options are exercisable into Common Shares at an exercise price of \$0.50 per Common Share, at any time up to twenty-four (24) months from the Listing Date, and each an **“Agent’s Option”**.

**“Agent’s Option Shares”** means the Common Shares issuable on exercise of the Agent’s Options.

**“Board”** means the board of directors of the Company.

**“CEO”** means Chief Executive Officer.

**“CFO”** means Chief Financial Officer.

**“CSO”** means Chief Science Officer.

**“CTO”** means Chief Technology Officer.

**“Closing Date”** means such date that the Company and the Agent mutually determine to close the Offering.

**“Common Share”** means a common share without par value in the capital of the Company.

**“Company”** means First Responder Technologies Inc.

**“Computershare”** means Computershare Investor Services Inc.

**“Exchange”** or **“CSE”** means the Canadian Securities Exchange.

**“GST”** means Goods and Services Tax (Canada).

**“IFRS”** means the International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee.

**“Listing Date”** means the date that the Common Shares of the Company are listed on the Exchange.

**“Marketing Materials”** has the meaning set out under the heading “Marketing Materials”.

**“Management”** means the management of the Company.

**“Maximum Offering”** means the distribution pursuant to the Offering of 20,000,000 Units at the Offering Price for gross proceeds of \$7,000,000.

**“Minimum Offering”** means the distribution pursuant to the Offering of 10,000,000 Units at the Offering Price for gross proceeds of \$3,500,000.

“**Offering**” means the distribution of Units pursuant to this Prospectus.

“**Offering Jurisdictions**” means British Columbia, Alberta, and Ontario.

“**Offering Price**” means \$0.35 per Unit.

“**Options**” means options to purchase Common Shares.

“**Purchaser**” means a subscriber for the Shares offered under this Offering.

“**Prospectus**” means this Prospectus.

“**Securities Commissions**” means the British Columbia Securities Commission, the Ontario Securities Commission, and the Alberta Securities Commission.

“**SEDAR**” means [www.sedar.com](http://www.sedar.com), which is the official website that provides access to public securities documents and information filed by public companies and investment funds as maintained by the Canadian Securities Administrators.

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

“**TSXV**” means TSX Venture Exchange.

“**Units**” means the units of the Company offered for sale pursuant to the Prospectus, with each unit consisting of one Unit Share and one-half of one Warrant.

“**Unit Shares**” means the Common Shares that form part of the Units offered for sale by the Company under this Prospectus.

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended.

“**Warrant**” has the meaning ascribed thereto on the face page of the Prospectus.

“**Warrant Agent**” means Computershare Investor Services Inc.

“**Warrant Indenture**” has the meaning ascribed thereto on the face page of the Prospectus.

“**Warrant Share**” has the meaning ascribed thereto on the face page of the Prospectus.

## NOTE TO INVESTORS

### About this Prospectus

Investors should rely only on the information contained in this Prospectus and are not entitled to rely on certain parts of the information contained in this Prospectus to the exclusion of others. Neither the Company nor the Agent have authorized anyone to provide investors with additional or different information. The information contained on <http://www.firstrespondertech.com> (the “Corporate Website”) or any affiliated website is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information when deciding whether or not to purchase the Units. Any graphs, tables or other information demonstrating our historical performance contained in this Prospectus are intended only to illustrate past performance and are not necessarily indicative of the Company’s future performance. Neither the Company nor the Agent are offering to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date otherwise indicated, regardless of the time of delivery of this Prospectus or any sale of the Units. The Company’s business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

The Agent is not offering to sell the Units in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside Canada, neither the Company nor the Agent has done anything that would permit the Offering or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about and to observe any restrictions relating to the Offering and the distribution of this Prospectus.

### Interpretation

Unless the context otherwise requires, all references in this Prospectus to “we”, “us”, “our” or the “Company” refer to First Responder Technologies Inc.

Certain capitalized terms and phrases used in this prospectus are defined under “Glossary of General Terms”. Words importing the singular number include the plural, and *vice versa*, and words importing any gender include all genders.

### Presentation Currency

We present our financial statements in Canadian dollars and disclose certain financial information in this prospectus in Canadian dollars. In this prospectus, references to “\$” or “dollars” are to Canadian dollars. Amounts are stated in Canadian dollars unless otherwise indicated. Certain totals, subtotals and percentages throughout this Prospectus may not reconcile due to rounding.

### Industry and Market Data

Unless otherwise indicated, information contained in this Prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from independent industry analysts and third-party sources (including industry publications, surveys and forecasts) and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us based on such data and our knowledge of our industry and markets, which we believe to be reasonable. None of the sources cited in this Prospectus has consented to the inclusion of any data from its reports, nor have we sought their consent. Our internal research has not been verified by any independent source, and we have not independently verified any third-party information. While we believe the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of our future performance and the future performance of our industry and the markets in which we

operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the “Forward-Looking Statements” and “Risk Factors” sections of this Prospectus and elsewhere in this Prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties or by us.

#### **NOTE REGARDING FORWARD LOOKING INFORMATION**

This Prospectus contains statements and information that, to the extent that they are not historical fact, may constitute “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. This prospectus uses words such as “may”, “would”, “could”, “will”, “likely”, “except”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “outlook”, and other similar expressions to identify forward-looking information. Such statements include the proposed use of available funds; the objectives and business plans of the Company; the share capital of the Company; the listing on the CSE; the executive compensation of the Company; and the composition of the Board and management of the Company.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this prospectus include the Company’s ability to obtain listing approval from the CSE and key personnel and qualified employees continuing their employment with the Company.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company’s management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

For a more detailed discussion of certain of these risk factors, see “Risk Factors”.

#### **MARKETING MATERIALS**

The following “marketing materials” (as such term is defined in NI 41-101) have been filed with the Securities Commissions in connection with this Offering and are incorporated by reference into this prospectus (collectively, the “**Marketing Materials**”):

- the template version of the investor presentation dated September 15, 2019; and
- the template version of the investor presentation dated November 14, 2019.

The template versions of the Marketing Materials are not part of this prospectus to the extent that the contents of the template versions of the Marketing Materials have been modified or superseded by a statement contained in this prospectus. In addition, any template version of any other marketing materials filed with the Securities Commissions in connection with this Offering after the date hereof but prior to the termination of the distribution of the securities under this prospectus is deemed to be incorporated by reference into this prospectus.



Michael Malana	Chief Financial Officer and Director
Mark Williams	Chief Science Officer and Director
Naresh Singhal	Chief Technology Officer
Kulwant Malhi	Chairman and Director
Christopher Moreau	Director
Michael Charles Kelly	Director

See “Directors and Officers”.

**Use of Proceeds:**

The Company expects to receive net proceeds of \$3,193,750 from the Minimum Offering and \$6,413,750 from the Maximum Offering (after deducting the portion of Agent’s Fee and corporate finance fee payable in cash, but before deducting other expenses of the Offering). The net proceeds of the Offering will be added to the Company’s estimated working capital as at October 31, 2019 of \$1,288,008, which will result in approximately \$4,481,758 in available funds to the Company from the Minimum Offering and \$7,701,758 in available funds to the Company from the Maximum Offering. The Company intends to spend the available funds, in order of priority, as follows:

Principal Purpose	Estimated Amount to be Expended (Minimum Offering) (\$)	Estimated Amount to be Expended (Maximum Offering) (\$)
Estimated costs of the Offering	\$116,000	\$116,000
Estimated general and administrative expenses for twelve months	\$1,665,800	\$1,665,800
Estimated product and market development costs for twelve months	\$2,509,900	\$2,509,900
Unallocated working capital	\$190,058	\$3,410,058
<b>TOTAL</b>	<b>\$4,481,758</b>	<b>\$7,701,758</b>

The Company intends to spend the funds available as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. See “Use of Proceeds.”

**Risk Factors:**

An investment in the Units offered hereunder should be considered highly speculative, and investors may incur a loss on their investment. The Company has no history of operations, success, revenue or earnings. An investment in the Company’s securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk loss of their entire investment. Investors should consult with their professional advisors to assess an investment in the Company’s securities.

There are risks associated with an investment in Units including, but not limited to, demand for the Company’s products, competition, capital requirements, access to capital markets, technological advances, governmental regulations, risks inherent to the Company’s operations and the inability to fully insure against such risks, market responses to publicity relating to the Company or its products, vulnerability to market changes, potential conflicts of directors and officers, labour constraints, dependence on major producers and/or customers, exposure to interest rates and exchange rates, dependence on key personnel, unexpected operating expenses, costs for legal and financial compliance, adequacy of disclosure controls and



procedures and internal controls over financial reporting, and the other factors discussed under “Risk Factors”. In assessing the risks of an investment in Units, subscribers must rely upon the ability and integrity of the management of the Company. **Subscribers should read this entire prospectus and consult their own professional advisors to assess the income tax, legal and other aspects of an investment in the Common Shares.** See “Risk Factors”.

**Summary of Financial Information:**

The following table sets out selected information for and as of the periods indicated. The financial information is derived from the audited financial statements for the year ended June 30, 2019, the audited annual financial statements for the year ended June 30, 2018 and the period from incorporation of the Company on January 27, 2017 to June 30, 2017, which are included in this Prospectus. See “Financial Statements”.

	Year Ended June 30, 2019	Year Ended June 30, 2018	Incorporation (January 27, 2017) to June 30, 2017
<b>Total Revenues</b>	\$nil	\$nil	\$nil
<b>Total Assets at end of period</b>	\$2,912,839	\$458,350	\$100
<b>Expenses</b>	\$563,340	\$45,866	\$nil
<b>Net Loss</b>	\$520,951	\$45,866	\$nil
<b>Net Loss per Common Share <sup>(1)</sup></b>	\$0.04	\$458	\$nil
<b>Basic and diluted loss per share (fully diluted)</b>	\$0.04	\$458	\$nil
<b>Long-term debt at end of period</b>	\$nil	\$nil	\$nil

**Note:**

(1) The Net Loss per Common Share is computed by dividing income (loss) available to common shareholders by the weighted average number of Common Shares outstanding during the period. The weighted average number of Common Shares outstanding at June 30, 2019 was 13,916,908. The weighted average number of Common Shares outstanding at June 30, 2018 and at June 30, 2017 was 100.

**Currency:**

Unless otherwise stated, all dollar amounts are stated in Canadian dollars.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

The Company was incorporated pursuant to the *Business Corporations Act* (British Columbia) on January 27, 2017 under the name of "First Responder Technologies Inc."

The Company's head office is located at Suite 915, 700 West Pender Street, Vancouver, BC, V6C 1G8, and its registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

### Incorporate Relationships

The Company does not have any subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

### History

The Company was incorporated pursuant to the *Business Corporations Act* (British Columbia) on January 27, 2017.

On July 5, 2018, the Company completed a private placement of 9,205,000 Common Shares at \$0.05 per Common Share for gross proceeds of \$460,250. See "Prior Sales of Securities".

On July 24, 2018, the Company completed a private placement of 605,000 Common Shares at \$0.05 per Common Share for gross proceeds of \$30,250. See "Prior Sales of Securities".

On February 14, 2019, BullRun Capital Inc. ("**BullRun Capital**") entered into a licensing agreement with The National Cancer Institute and the NIH for the new pepper spray formulation technology (the "**NIH License Agreement**"). BullRun Capital is a venture capital company that specializes in identifying and acquiring early-stage technologies, establishing new startup companies and qualified management teams that are capable of advancing such technologies, and then assigning the technologies in exchange for equity-based compensation so that those companies may develop and commercialize the technologies. BullRun Capital then takes an active role in assisting with the financing, management and listing of these companies on Canadian stock exchanges. In accordance with BullRun Capital's business model, BullRun Capital entered into the NIH License Agreement and later assigned it to the Company in exchange for Common Shares (as an assignment fee), on terms more particularly described below.

The NIH License Agreement granted BullRun Capital a nonexclusive worldwide license under the following patents and patent applications:

- U.S. Patent 9,277,748 (Application No. 13/634,447) filed March 11, 2011, issued March 8, 2016, titled "Agonist/antagonist compositions and methods of use", HHS Ref. No.: E-048-2010-0-US-04. This patent is still in force and set to expire on March 11, 2031; and
- Canada Patent Application Serial No. 2,792,878, filed March 11, 2011, HHS Reference Number E-048-2010-0-CA-03 titled "Agonist/antagonist compositions and methods of use". This patent is still in force and set to expire on March 11, 2031;

In consideration for the nonexclusive worldwide rights for the new pepper spray formulation technology, BullRun Capital agreed to pay to the NIH:

- a non-refundable license issue royalty of US\$20,000;
- a minimum annual royalty of US\$10,000;

- earned royalties of:
  - 5% on net sales by or on behalf of the Company in the United States and Canada; and
  - 3% on net sales by or on behalf of the Company in all jurisdictions other than Canada or the United States;
- benchmark royalties of:
  - US\$8,000 upon completion of a pre-clinical acute dermal/ocular toxicity studies;
  - US\$8,000 upon completion of a phase 1 clinical trial; and
  - US\$10,000 upon first commercial sale;
- unreimbursed expenses associated with the preparation, filing, prospectus, and maintenance of all patent applications and patents included with the NIH License agreement and paid by NIH prior the NIH License Agreement, an additional royalty not to exceed US\$70,000;
- at NIH's sole discretion, on an annual basis, a royalty amount equivalent to these unreimbursed expenses paid during the previous calendar year(s); and
- if the agreement is assigned by BullRun Capital, one percent (1%) of the fair market value of any consideration received for any assignment of the NIH License Agreement.

The NIH License Agreement shall continue until the earlier of: (i) expiration or lapse of the patent rights under the NIH License Agreement; or (ii) termination in accordance with the terms set forth in the NIH License Agreement. Unless terminated in accordance with the terms set forth in the NIH License Agreement, the earliest possible termination date is March 11, 2031.

On February 18, 2019, the Company entered into a license assignment agreement with BullRun Capital (the "**NIH License Assignment Agreement**"), pursuant to which BullRun Capital assigned to the Company all rights, titles and interests contemplated in the NIH License Agreement. As a result, the Company, through the NIH License Assignment Agreement, holds the nonexclusive worldwide rights for the new pepper spray formulation technology. As an assignment fee for the NIH License Assignment Agreement, the Company issued 10,000,000 Common Shares at a deemed value of \$0.05 per Common Share to BullRun Capital (representing 24.41% of the Company's issued and outstanding Common Shares on a non-diluted basis as at the date of this Prospectus, see "Consolidated Capitalization"), of which 6,000,000 Common Shares were issued to arms-length parties other than BullRun Capital (see "Escrowed Securities"). Kulwant Malhi, the Chairman and a director of the Company, is the sole shareholder of Bullrun Capital.

The Company notes that the NIH License Assignment Agreement was a transaction with a related party (being Kulwant Malhi, the Chairman and a director of the Company) and as such, management looked to transactions with non-related parties to determine the fair value of its Common Shares on the measurement date. Specifically, reference was made to the Company's most recent sale of Common shares to non-related parties to determine the fair value of its equity instruments from the perspective of a market participant at the measurement date. Prior to the NIH License Assignment Agreement, the Company's most recent private placement for Common Shares was completed on July 24, 2018 at a price of \$0.05 per Common Share (with related and non-related parties). Given the Company had no other transactions indicating a different fair value for its Common Shares between the date of the July 24, 2018 private placement and the February 28, 2019 measurement date, the estimated fair value of the 10,000,000 common shares issued pursuant to the NIH License Assignment agreement was \$0.05 per common share.

The NIH License Assignment Agreement shall continue until the expiration or termination of the NIH License Agreement.

On April 2, 2019, the Company completed a private placement of 2,600,000 Common Shares at \$0.05 per Common Share for gross proceeds of \$130,000. See "Prior Sales of Securities".

On May 29, 2019, the Company completed a private placement of 610,000 Common Shares at \$0.05 per Common Share for gross proceeds of \$30,500. See "Prior Sales of Securities".

On June 12, 2019, Bullrun Capital entered into an exclusive license agreement with Rutgers, on behalf of itself and The Research Foundation for The State University of New York, acting for and on behalf of Binghamton University and the Trustees of Indiana University (each and collectively the "**Licensors**") for the intellectual property rights for the commercial development of new WiFi-based weapons detection technology (the "**Rutgers License Agreement**"). In accordance with BullRun Capital's business model, BullRun Capital entered into the Rutgers License Agreement and later assigned it to the Company in exchange for Common Shares (as an assignment fee), on terms more particularly described below.

The Rutgers License Agreement granted BullRun Capital an exclusive worldwide license under the following patents and patent applications:

- Patent "In-Baggage Object Detection Using Commodity Wi-Fi"; Patent (application) Number 62/828,151; Filing or Issue Date. 4/2/2019; Innovators Yingying Chen, Jian Liu, Chen Wang, Hongbo Liu, Yan Wang; Country USA (the "**Rutgers Patent Right**"). This provisional application has a priority conversion deadline (expiration) of April 2, 2020.

The Rutgers License Agreement also granted BullRun Capital a non-exclusive, non-transferable license to use the following technology (collectively, the "**Rutgers Technology**"):

- Existing machine learning models and algorithms, including K-Nearest Neighbors (KNN), Support Vector Machine (SVM), Linear Regression, and Neural Network;
- WiFi CSI extraction software: A software component developed based on open-source CSI tools that are developed by third parties, including:
  - Linux 802.11n CSI Tools for collecting CSI measurements from the Intel Wireless Link 5300 802.11n WiFi chipsets; and
  - Atheros CSI Tools for collecting CSI measurements from the Atheros 802.11n WiFi chipsets;
- CSI data: Raw CSI measurements collected through the project(s) that are used for training and analysis, and the open-source/commercial database tools for raw CSI measurements storage;
- CSI analysis algorithm: A software developed to analyze the CSI measurements by using the existing machine learning models and algorithms; and
- WiFi channel models: To analyze the multi-path effects of WiFi signals, generic wireless channel models for Line-of-Sight (LOS) and Non-Line-of-Sight (NLOS) (including both reflection and diffraction paths) wireless signal propagation.

In consideration for the Rutgers License Agreement, BullRun Capital agreed to pay to the Licensors:

- a license issue fee of US\$25,000;
- milestone payments of:
  - US\$50,000 upon cumulative net sales exceeding US\$5,000,000; and
  - US\$100,000 upon cumulative net sales exceeding US\$25,000,000;

- running royalties of:
  - 8% of net sales for certain licensed products including any material, product, kit, service, process or procedure that, in whole or in part, are covered by the patent; and
  - 4% of net sales for certain licensed products including any material, product, kit, service, process or procedure that incorporates, uses or derives from the Licensors technology or the development, manufacture, use, sale or importation of which incorporates, uses or is derived from the Licensors technology;
- minimum annual royalties of:
  - US\$25,000 at the end of the calendar year in which the first commercial sale occurs (“**Year 1**”);
  - US\$50,000 at the end of the calendar year following Year 1 (“**Year 2**”);
  - US\$100,000 at the end of the calendar year following Year 2 (“**Year 3**”); and
  - US\$200,000 at the end of each calendar year following Year 3.
- equity consideration of:
  - 10% of the Company’s total outstanding Common Shares on a fully-diluted basis, as-converted basis immediately after any initial public offering; and
  - 2.5% of the Company’s then-total outstanding Common Shares on a fully-diluted, as-converted basis within 15 days of the earlier of: (i) issuance of any patent related to Rutgers’ patent rights or technology, or (ii) the Company achieving cumulative net sales of US\$6,500,000 from licensed products.

BullRun Capital also agreed to complete certain diligence milestones within specified timeframes, including the completion of an initial public offering of at least US\$3,250,000 by October 12, 2019.

The Rutgers License Agreement shall continue until the later of: (i) expiration or lapse of the patent rights under the Rutgers License Agreement; or (ii) termination in accordance with the terms set forth in the Rutgers License Agreement. Unless terminated in accordance with the terms set forth in the Rutgers License Agreement, the earliest possible termination date is April 2, 2020.

On June 25, 2019, the Company entered into a license assignment agreement with BullRun Capital (the “**Rutgers License Assignment Agreement**”), pursuant to which BullRun Capital assigned to the Company all rights, titles and interests contemplated in the Rutgers License Agreement. As a result, the Company, through the Rutgers License Assignment Agreement, holds the intellectual property rights for the commercial development of new WiFi weapons detection technology. As an assignment fee for the Rutgers License Assignment Agreement, the Company issued 10,675,000 Common Shares at a deemed value of \$0.10 per Common Share to BullRun Capital (representing 26.07% of the Company’s issued and outstanding Common Shares on a non-diluted basis as at the date of this Prospectus, see “Consolidated Capitalization”), of which 5,675,000 Common Shares were issued to arms-length parties other than BullRun Capital (see “Escrowed Securities”).

Although the Rutgers License Assignment Agreement contemplates a deemed value of \$0.10 per Common Share, it was determined that the fair value of each Common Share issued pursuant to the Rutgers License Assignment Agreement was \$0.05 per Common Share under IFRS. The Company notes that the Rutgers License Assignment Agreement was a transaction with a related party (being Kulwant Malhi, the Chairman and a director of the Company) and as such, management looked to transactions with non-related parties to determine the fair value of its Common Shares on the measurement date. Specifically, reference was made to the Company’s most recent sale of Common shares to non-related parties to determine the fair value of its equity instruments from the

perspective of a market participant at the measurement date. Prior to the Rutgers License Assignment Agreement, the Company's most recent private placement for Common Shares was completed on May 29, 2019 at a price of \$0.05 per Common Share (with related and non-related parties). Given the Company had no other transactions indicating a different fair value for its Common Shares between the date of the May 29, 2019 private placement and the June 28, 2019 measurement date, the estimated fair value of the 10,675,000 common shares issued pursuant to the Rutgers License Assignment agreement was \$0.05 per common share.

Pursuant to the Rutgers License Agreement and the Rutgers License Assignment Agreement, the Company (as a permitted assign of Bullrun Capital) must deliver to the Licensors, within fifteen (15) days after the completion of the Offering, Common Shares equal to 10% of the Company's then issued and outstanding Common Shares on a fully diluted basis. In the event of the Minimum Offering and within 15 days of its completion, the Company will be required to deliver to the Licensors 6,324,401 Common Shares, based on 63,244,012 securities of the Company issued and outstanding upon completion of the Minimum Offering (see "Consolidated Capitalization" and "Principal Shareholders"). In the event of the Maximum Offering and within 15 days of its completion, the Company will be required to deliver to the Licensors 7,904,401 Common Shares, based on 79,044,012 securities of the Company issued and outstanding upon completion of the Maximum Offering (see "Consolidated Capitalization" and "Principal Shareholders").

In addition, the Company must deliver to the Licensors Common Shares equal to 2.5% of the Company's then issued and outstanding Common Shares on a fully diluted basis on the earlier of: (i) the issuance of any patents related to the Rutgers Patent Right or the Rutgers Technology; or (ii) the Company achieving cumulative net sales of US\$6,500,000 from products derived from the Rutgers Patent Right or the Rutgers Technology.

The Rutgers License Assignment Agreement shall continue until the expiration or termination of the Rutgers License Agreement.

On June 30, 2019, debts owing to Bullrun Capital in the aggregate amount of \$78,750 were settled in consideration for an aggregate of 787,500 Common Shares with a deemed value of \$0.10 per Common Share (the "**Shares for Debt Settlement**"). Although the Shares for Debt Settlement contemplates a deemed value of \$0.10 per Common Share, it was determined that the fair value of each Common Share issued pursuant to the Shares for Debt Settlement was \$0.05 per Common Share under IFRS. As a result, the Company recorded a gain on the Shares for Debt Settlement of debt of \$39,375 in the statements of comprehensive loss.

For the year ended June 30, 2019, the Company used \$504,443 of cash in operations. Between the closing of the initial private placement in July of 2018, to the completion of the Rutgers License Assignment Agreement, the primary business of the Company was devoted to the development of the Company's Response line of business (see "Narrative Description of the Business – Response Line of Business." For the year ended June 30, 2019, a total of \$216,966 was expended on management salaries, \$43,082 on early development of the Company's Response Line of Business and \$31,418 on the Company's Detection line of business. Upon completion of the Rutgers License Assignment Agreement, the Company's primary line of business became the Detection line of business. See "Narrative Description of the Business – Detection Line of Business".

On July 1, 2019 the Company hired Robert Delamar to act as the Company's CEO. Mr. Delamar has almost two decades of experience working as a lawyer, and high technology executive, in Silicon Valley and abroad, with experience working in, or leading technology development teams which have developed commercial and military grade satellite antennas, cloud-based consumer and enterprise video systems and networking software (see "Directors and Officers"). With Mr. Delamar's appointment as the Company's CEO, the Company's principal business became the Detection line of business.

In July of 2019, the Company began developing a prototype based on the Rutgers Technology. Misty West, a Vancouver, BC based outsourced technology development firm, whose list of clients include major Silicon Valley based software development companies, began working on validating and improving upon the Rutgers Technology, led by a 4-5 person full-time equivalent ("**FTE**") team which included a physicist, a mathematician and software engineers (see "Narrative Description of the Business – From MVP to Development – Year 1 Milestones").

On August 9, 2019, the Company completed a private placement of 6,977,610 units at \$0.35 per unit for aggregate gross proceeds of \$2,442,164. Each unit consists of one Common Share and one-half common share purchase warrant in the capital of the Company. Each whole common share purchase warrant will entitle the holder thereof to purchase an additional Common Share at an exercise price of \$0.50 per Common Share for a period of 24 months following the date of issuance. See "Prior Sales of Securities".

In August of 2019, the Company engaged Naresh Singhal to act as the Company's Chief Technology Officer, and to lead the engineering and product development efforts of the Company's Detection line of business. After his appointment, Naresh Singhal took on management responsibility for the Misty West development efforts and completed a Sponsored Research Agreement (as herein defined) with Rutgers University (see "Directors and Officers" and "Narrative Description of the Business – From MVP to Development – Year 1 Milestones").

From incorporation to the date of this Prospectus, the Company has expended a total of \$476,762 on the development of a prototype for its Detection line of business and a total of \$71,456 on its Response line of business.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### **General**

First Responder is a technology development company that commercializes academic and internally developed intellectual property for the purpose of developing new products for use in the public safety market.

First Responder has two areas of product development focus:

- (i) Detection – which involves commercializing a new threat detection technology based on academic research developed by Rutgers, and ongoing research and development efforts by its in-house and outsourced development team; and
- (ii) Response – which involves commercializing a short acting pepper spray and pepper spray exposure antidote that had its initial research completed by the NIH.

The principal business of the Company is the development of detection products and services by commercializing WiFi technology developed by Rutgers that can be used to detect dangerous concealed weapons. In the Company's view, WiFi-based threat detection technology may be utilized by a wide range of industries to not only make their premises secure but also reduce their cost of security detection.

The Company will in part be relying on a patent application which forms the basis of the Rutgers Technology (such patent application defined herein as the Rutgers Patent Right, see "General Development of the Business – History"), and also plans to file for additional patent protection in the future in the ordinary course of business for its Detection line of business.

The secondary business of the Company is to develop and market a short acting pepper spray product, as well as a separate first aid treatment product, to both the police and military market and emergency response markets globally. The Company has various distribution options, which include, for example: (i) direct sales through a future sales force hired by the Company, to the police, military and emergency response markets; or (ii) indirect sales through reseller channel partners who serve the same market. The Company intends to engage in either the direct manufacturing of its products to develop its own brand, or to license its formulations to existing global brands, as available. In addition, it may also white label the products in order to serve the maximum number of global brands possible, or a combination of all of the above.

As at June 30, 2019 the Company had nil employees. As at the date of this Prospectus, the Company has nil employees.

**Business Objectives and Milestones**

*Detection Line of Business*

The Company maintains the following business objectives for its Detection line of business:

1. to develop a prototype for its Detection line of business, and to begin alpha testing the prototype with first responders at the local, state/provincial and federal levels; systems integrators and wholesalers; and telecommunications partners, within seven (7) months after completion of the Offering;
2. to develop and release a version alpha minimum viable Detection product (“MVP”) and recognize the Company’s first revenue within 12 months after completion of the Offering;
3. to develop and release a beta Detection product, which can be deployed on a small scale, and begin generating both antenna and service revenue within 18 months after completion of the Offering; and
4. to develop and release a version 1.0 product, which the Company expects will be the basis for a sustainable business model within 24 months after completion of the Offering.

See “Use of Proceeds – Principal Purposes”. See “Risk Factors” for a discussion of competitive conditions.

In order to achieve its stated Business Objectives and Milestones for its Detection line of business, over the next 24 months following the completion of the Offering, the Company intends to expend approximately \$2,933,000 for product development costs, of which approximately \$1,397,600 will be expended in the next 12 months, through contracted for, or anticipated, outsourced high technology software, hardware and product development teams. See “Narrative Description of the Business – From MVP to Development – Year 1 Milestones” and “Narrative Description of the Business – From Beta to Sustainable Business – Year 2 Milestones and Beyond”.

<b>Business Objective</b>	<b>Significant Events</b>	<b>Time Period</b>	<b>Costs Related to the Event</b>	<b>TASKS</b>
Develop and validate the Company’s intellectual property	Achieve fast-prototype versions of the Company’s WiFi products	Months 0 to 6 after completion of the Offering	Approximately \$735,200	<b>RESEARCH: \$376,100</b> - define problem scope - define requirements - define specifications - assess current solutions - market research
				<b>DEVELOPMENT: \$359,100</b> - mechanical design - mechanical prototype and assembly - software development - system design
Develop a version alpha minimum viable product	Complete one or more products, where warning of a weapon is signaled to a relevant person on a laptop, via a WiFi based detection system	Months 7 to 12 after completion of the Offering	Approximately \$662,400	<b>ALPHA TESTING: \$662,400</b> - testing by intended users in the real environment to assess usability and performance
Develop a version beta small scale	Complete one or more products, where warning of a weapon is signaled to	Months 13 to 18 after completion of	Approximately \$723,000	<b>BETA TESTING</b> - closed Beta: limited and selected group of users - Open Beta: general public



deployable product	a relevant person on a handheld device, via a WiFi based detection system	the Offering		
Develop a version 1.0 broader scale product	Complete one or more multi-device or multi-antenna products	Months 19 to 24 after completion of the Offering	Approximately \$812,400	<b>PREPARING DESIGN FOR VOLUME PRODUCTION</b> - refining design of parts for high volume production (plastics, metals, electronics, etc.) - minimize/standardize number of parts - design for ease of fabrication and assembly - design to maximize compliance/testing
<b>TOTAL:</b>			<b>Approximately \$2,933,000</b>	

In addition, the Company intends to expend \$870,900 on market development costs in the 12 months after completion of the Offering (see “Narrative Description of the Business – Business Objectives and Milestones – Market Development Costs” below). Such market development costs do not include the \$255,800 attributable to shareholder communications and investor relations costs (see “Narrative Description of the Business – Estimated General and Administrative Expenses for the Next 12 Months”).

*Response Line of Business*

The Company maintains the following business objectives for its Response line of business:

1. to complete animal testing for the Company’s short acting pepper spray products within twelve (12) months after completion of the Offering;
2. To generate its first revenue from the Company’s short acting pepper spray products within 24 months after completion of the Offering.

In order to achieve its stated Business Objectives and Milestones for its Response line of business, the Company intends to expend approximately \$241,400 in licensing and animal testing fees within 12 months after completion of the Offering. As the Response line of business is the Company’s secondary line of business, the Company anticipates that the Company’s Detection line of business will command the largest share of the Company’s research and development activities and budget over the next 24 months. It is possible that the Company may not bring a short acting pepper spray product to market in the 24 months following the Offering, as development funds the Company anticipates it may spend on the development of its Response line of business may be diverted to the Company’s Detection line of business in order to meet the Company’s business objectives and milestones for its Detection line of business.

*Summary of Business Objectives and Expenditures To Date, and for the Next 12 Months Following the Offering*

From inception to the date of this Prospectus, the Company has expended \$548,218 in product development costs on both its Response and Detection lines of business. Up to June 30, 2019, the Company expended \$31,418 on its Detection line of business and \$43,082 on its Response line of business. After June 30, 2019 to the date of this

prospectus, the Company expended \$445,344 on its Detection line of business and \$28,374 on its Response line of business.

The Company anticipates expending a further total of \$1,639,000 in product development costs (including \$1,397,000 on its Detection line of business and \$241,000 on its Response line of business) and anticipates expending \$870,900 on market development costs, for the next 12 months following the Offering in order to achieve the following Business Objectives and Milestones:

1. bring an alpha MVP Detection product to market within 12 months after completion of the Offering;
2. complete animal testing on the Response product within 12 months after completion of the Offering; and
3. generate the Company's first revenue from its Detection product from alpha test customers.

If the Company is successful in meeting its Business Objectives and Milestones in the 12 months following the completion of Offering, the Company anticipates it will be well positioned to release a version 1.0 product, and successfully capture its first significant, sustainable revenue for its Detection business in the 24 months following the completion of the Offering, while in parallel realizing its first revenue from its secondary Response business during the same timeframe.

*Market Development Costs*

Management will expend approximately \$870,900 on market development in the 12 months following completion the Offering. Such amount does not include the \$255,800 attributable to shareholder communications and investor relations cost (see "Narrative Description of the Business – Estimated General and Administrative Expenses for the Next 12 Months").

The Company has contracted for, or intends to contract for, corporate communications and marketing services, in the following amounts:

<b>Amount</b>	<b>Description</b>	<b>Timing</b>
\$275,100	To attend industry tradeshows to generally advertise the Company's products and services, at events such as Milipol, in Paris, FR, the International Security Exposition in London, UK, International Security Conference (West) in Las Vegas, NV, Home Office Show, in London, UK and others.	<b>Q4 2019:</b> Approximately \$130,000
		<b>Q1 2020:</b> Approximately \$110,000
		<b>Remainder 2020:</b> Approximately \$35,100
\$268,700	For print and digital media campaigns in general and trade publication, for corporate advertising and branding purposes, in Canada and the United States of America, such as Postmedia, Police Magazine and Blueline.	<b>Q4 2019:</b> Approximately \$168,700
		<b>Q1-Q3 2020:</b> Approximately \$33,000 per quarter

Amount	Description	Timing
\$107,500	For print and media services, conferences and trade show services, online campaigns and general project management, marketing and agency services to be provided by Blink Ventures Inc. (“ <b>Blink Ventures</b> ”).	<b>Q4 2019:</b> Approximately \$57,500
		<b>Q1-Q3 2020:</b> Approximately \$15,000 per quarter
\$99,600	For general digital marketing campaigns for corporate advertising and branding purposes.	Approximately \$25,000 per quarter
\$120,000	For Chief Marketing Officer (“ <b>CMO</b> ”) services to be provided by Blink Ventures as described immediately below.	Approximately \$30,000 per quarter (\$10,00 per month)

Currently, the Company’s primary outsourced marketing firm, Blink Ventures, based in Vancouver, BC, which develops and manages the Corporate Website, creative design, corporate communications, video, industry trade show and event management, and customer relationship management. Blink Ventures has assigned approximately three to four FTE’s to the Company’s business and provides the Company with those functions normally provided by an in-house CMO, on an outsourced basis.

The Company renews Blink Ventures’ services on a project or month-to-month basis, and receives invoices on completion of work.

**Estimated General and Administrative Expenses for the Next 12 Months**

The estimated general and administrative expenses of the Company for the 12 months following completion of this Offering are an aggregate of \$1,665,800. An estimated breakdown of these expenses is as follows:

Item	Monthly (\$)	Yearly (\$)
Management and advisory fees	88,625 <sup>(1)</sup>	1,063,500 <sup>(1)</sup>
Operations	5,542	66,500
Office costs	3,000	36,000
Legal fees	1,833	22,000
Accounting and audit fees	3,833	46,000
Consulting fees	417	5,000
Transfer agent and filing fees	917	11,000
Shareholder Communications and Investor Relations	21,317	255,800 <sup>(2)</sup>
Travel	12,500	150,000
Miscellaneous	833	10,000
<b>Total:</b>	<b>138,817</b>	<b>1,665,800</b>

Notes:

(1) Of the estimated management and advisory fees, approximately \$57,825 per month or \$694,000 per year is attributable to management fees and approximately \$30,800 per month or \$369,600 per year is attributable to advisory fees (see “*Management and Advisory Fees*” below for a detailed description).

(2) The Company has contracted for shareholder communications and investor relations services in the following amounts: (i) approximately \$45,000 to Dig Media Inc. (dba Investing News Network) for general advertising services; (ii) approximately \$72,000 to Primoris Group Inc. for general media services; and (iii) approximately \$138,750 to certain investor relations firms and consultants (see “*Investor Relations Fees*” immediately below).

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### *Management and Advisory Fees*

In the 12 months following the completion of the Offering, the Company will pay management fees as follows:

1. \$15,000 per month or \$180,000 per year to Bullrun Capital Inc., a private company controlled by Kulwant Malhi;
2. \$15,000 per month or \$180,000 per year to Robert Delamar, CEO;
3. \$20,833 per month or \$250,000 per year to Naresh Singhal, CTO;
4. \$1,000 per month or \$12,000 per year to Mark Williams, CSO; and
5. \$6,000 per month or \$72,000 per year to Michael Malana, CFO.

In the 12 months following the completion of the Offering, the Company will pay advisory fees as follows:

1. \$2,000 per month or \$24,000 per year to Stockwell Day;
2. \$2,000 per month or \$24,000 per year to Steven DiPaola;
3. \$1,500 per month or \$18,000 per year to Beverley Busson;
4. \$1,000 per month or \$12,000 per year to Kelly Sundberg;
5. \$1,000 per month or \$12,000 per year to 1900817 Ontario Ltd., a private company controlled by Robert Dameron;
6. \$5,000 per month or \$60,000 per year to McMillan Vantage;
7. \$6,750 (US\$5,000) per month or \$\$81,000 (US\$60,000) per year and a one-time payment of \$60,800 (US\$45,000) for a total of \$141,800 to Early Sullivan Wright Gizer & McRae LLP.;
8. \$5,400 (US\$4,000) per month or \$64,800 (US\$48,000) per year to Jennifer (Yingying) Chen; and
9. \$1,083 (US\$800) per month or \$12,960 (US\$9,600) per year to Yan Wang.

### *Shareholder Communications and Investor Relations*

Shareholder communications and investor relations expenses for the 12 months following completion of the Offering will include the following:

1. \$6,000 per month to Lyle McLennan for certain capital markets advisory services, including introducing the Company to securities brokers, investment dealers, institutional investors, financial intermediaries and previously established contacts with the aim of raising up to \$6,000,000 and acquiring additional partners in the capital markets on behalf of the Company (the “**McLennan Consulting Agreement**”);

2. \$5,000 per month to Equity Marketing Strategies Inc. for consulting and ongoing marketing services, which the Company renews on a month-to-month basis and receives monthly invoices; and
3. \$563 per month to Glenridge Partners, LLC for consulting, marketing and ongoing capital markets advisory services, which the Company renews on a month-to-month basis and receives monthly invoices.

### **Detection Line of Business**

The Company's Detection line of business involves commercializing a new threat detection technology based on academic research developed by Rutgers, and is developing intellectual property in-house in support of same.

The Company recognizes that there is an immense market need for threat detection technologies for security screening at public venues that are both cost-effective and easy to install. Existing technologies are neither as convenient nor cost-effective as the Company anticipates its new WiFi-based threat detection technology will be.

According to a recent study conducted by Yingying (Jennifer) Chen, Professor, WINLAB Electrical and Computer Engineering Department, Rutgers, WiFi can be used to detect concealed weapons, and other dangerous objects in bags.<sup>1</sup> In the Company's view, WiFi-based threat detection technology may be utilized by a wide range of industries to not only make their premises secure but also reduce their cost of security detection.

The Company intends to ensure comprehensive protection of intellectual property through the registration of available patents and trademarks.

To deploy its business model, the Company believes that a managed service opportunity may be the preferred business model. A managed service will likely have three components: (i) an antenna(s); (ii) software (for use on a "bring-your-own-device" tablet or smartphone); and (iii) back-end (which could be all or partially managed in the cloud).

A deployed managed service may have three revenue lines: 1) hardware, 2) software license, and 3) a monthly managed service fee.

The Company plans to target the following market segments for the WiFi-based concealed weapons detection system: Aviation Security, Maritime Security, Land Transportation Security, Secured Perimeters and Buildings, Postal Security, and Public Venue Security. The Company also aims to sell its WiFi-based concealed weapons detection system to schools, museums, stadiums, arenas, theme parks, places of worship, shopping centers, theatres, hotels, schools, coffee shops, and other public venues.

### **Key Advantages and Marketing Strategy**

The key advantages of a WiFi-based threat detection technology solution include 1) easy set-up, 2) reduced security screening costs, and 3) reduced privacy intrusions, such as occur when screeners open and inspect bags, backpacks, and luggage.

The Company's marketing strategy will include both an aggressive direct and channel sales program, optimized web content and content marketing, attending and participating in industry trade shows, and investing in ongoing user experience research. The Company also aims to acquire similar technology in the market that would complement Rutgers' WiFi-based threat detection technology.

The Company's detection line of business was created to capture a significant portion of:

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<sup>1</sup> Chen Wang et al., "Towards In-baggage Suspicious Object Detection Using Commodity WiFi", 2018 IEEE Conference on Communications and Network Security (CNS), <http://www.winlab.rutgers.edu/~yychen/papers/Towards%20In%20baggage%20Suspicious%20Object%20Detection%20Using%20Commodity%20WiFi.pdf>.

1. The global weapons detection systems market, and
2. The global perimeter security detection market, displacing millimeter wave (“**MMW**”), Cognitive Microwave Radar (“**CMR**”) and other emerging technologies by endeavoring to deploy commercial off-the-shelf (“**COTS**”) WiFi antennas and a suite of software, as a cheaper alternative to MMW and CMR.

According to *Grand View Research, Inc.*, the MMW detection technology market alone is forecast to grow to \$8.69 billion by 2025.<sup>2</sup> MMW technology is extensively used in applications across various sectors such as telecommunication, military & defense, security, automotive, and healthcare. The increasing demand arriving from all these industrial and commercial sectors is further expected to push the market at a considerable pace.

### **Products**

The Company aims to commercialize a new threat detection technology based on academic research developed by our in-house development team, our outsourced development team and Rutgers. This suspicious object detection system uses WiFi to detect concealed weapons, and dangerous objects in bags in public places. WiFi wireless signals can penetrate bags to get the dimensions of dangerous metal objects and identify them, including concealed weapons and other dangerous objects.

According to a peer-reviewed study authored by the team at Rutgers, from which the Company has licensed the WiFi technology, WiFi-based technology may be used for security screening at public venues like stadiums, theme parks, and schools.<sup>3</sup>

The Company’s proposed low-cost object detection system requires a WiFi device with two to three antennas and may be integrated into existing WiFi networks in the future. The system analyzes what happens when wireless signals penetrate and bounce off objects and materials.

If COTS antennas can be used as part of a WiFi-based dangerous weapons detection system, the Company’s WiFi antenna revenue line item may include a bill of materials cost that Company management anticipates may attain similar economics to COTS antennas, and which costs may decline over time as manufacturing scale is achieved. Company management anticipates significantly higher antenna costs than COTS antennas in the product development stage, alpha testing stage and early years of general product availability. Software hosting and networking services are anticipated to cost a certain percentage of the monthly service fee. Users will access threat detection data via a device, most likely a smartphone, laptop or tablet.

### **Technology**

The Rutgers WiFi system utilizes fine-grained channel state information (“**CSI**”) from COTS WiFi. This information describes how a signal propagates from the transmitter to the receiver and represents the combined effect of such effects as scattering, fading, and power decay with distance.

The system first detects the existence of suspicious objects and identifies the dangerous material type based on the reconstructed CSI complex value (including both amplitude and phase information). It then determines the risk level of the object by examining the object’s dimension - that is, a liquid volume or metal object’s shape - based on

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<sup>2</sup> Grand View Research, “Millimeter Wave (MMW) Technology Market Worth \$8.69 Billion By 2025”, April 2017, <https://www.grandviewresearch.com/press-release/global-millimeter-wave-mmw-technology-market>.

<sup>3</sup> Chen Wang et al., “Towards In-baggage Suspicious Object Detection Using Commodity WiFi”, 2018 IEEE Conference on Communications and Network Security (CNS), <http://www.winlab.rutgers.edu/~yychen/papers/Towards%20In%20baggage%20Suspicious%20Object%20Detection%20Using%20Commodity%20WiFi.pdf>.

the reconstructed CSI complex of the signals reflected by the object. In early experiments, the shapes of weapons and other dangerous objects were detected with a relatively high degree of accuracy.<sup>4</sup>

As a result of the Company's current research and development activities, led by Naresh Singhal, through the assistance of Misty West, the Company anticipates new computing techniques, including machine learning algorithms, may be available to enhance or optimize the Rutgers Technology, and the Company anticipates building on the Rutgers Technology, including the filing of further patent applications, as future innovations may present.

### ***The Current Market***

The Company believes that its unique position of offering an accurate, low-cost, and readily accessible, easy to install concealed weapons detection systems may give it a first-mover advantage and a significant edge in the market for a WiFi-based concealed weapons detection system.

Weapons detection systems have increasingly gained importance in the last few decades due to global security threats. These are crucial for ensuring the safety of any public or private premises. Several instances of security violations resulting from poorly functioning, or lack of available detection systems in public spaces have led to serious public safety incidents. Examples include terrorist attacks and mass shootings, resulting from the lack of, or inefficient concealed weapons detection systems. The cost has been numerous human lives.

Currently, there is a lot of attention being paid to the development of concealed weapons detection systems. Public places and facilities, like railway stations, airports, subways, etc. are popular targets for terrorist or criminal activities. With the advent of the new century, new forms of attacks with more sophisticated, dangerous, and advanced technology have been developed by malicious actors. Thanks to mobile phones, terrorists and criminal actors can coordinate, communicate and facilitate plots with ease. These developments have made detection systems a top priority for public safety bureaucracies and law enforcement.

Currently, there are a number of concealed weapons detection systems, utilizing a number of technologies, available to the market. These technologies include explosive trace detectors, tomographic energy-dispersive x-ray spectroscopy, x-ray screening systems, improvised explosive device mitigation devices, metal detectors, vehicle, and container screening system and others, to name a few.

Concealed weapons detection system functionality is becoming an essential requirement for any public event or place. These systems are also widely used by national security forces. There is a growing need for robust and efficient weapons detection system to detect and interdict security threats at crowded public locations.

Several technologies relating to weapons detection systems have been developed over the years. Internationally, airline employees and private security companies conduct screening activities at airports to name one key segment. In the USA, the Federal Aviation Authority ("FAA") monitors the performance of screeners by periodically testing them with FAA special agents posing as passengers. Two critical reasons explain why screeners fail include: rapid screener turnover and inadequate attention to human factors.

Various security screening technologies are used to either inspect individuals or their luggage. Screening of people walking through portals requires sophisticated technology. A screening solution needs to be not only accurate but also publicly acceptable. In terms of what should be reported by a screening system and its performance characteristics, specific guidelines have been set by several industry authorities. A screening report must identify and provide useful intelligence to security personnel as to the type of illegal material, the minimum quantity (mass of the object), the object shape (bulk, sheet, thickness, etc.) and the location of the illicit material in the bag.

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<sup>4</sup> Chen Wang et al., "Towards In-baggage Suspicious Object Detection Using Commodity WiFi", 2018 IEEE Conference on Communications and Network Security (CNS), <http://www.winlab.rutgers.edu/~yychen/papers/Towards%20In%20baggage%20Suspicious%20Object%20Detection%20Using%20Commodity%20WiFi.pdf>.

In addition, key players in the weapons detection systems market have been able to create systems that can be used for weapons detection at a lower weight than previous models. This allows for portability of these systems and hence increases the area of application for these systems.

The systems manufacturers face limitations in system design focused on public venues, including schools, universities, and hospitals amongst others, given the scale and complexity of these spaces. In addition, offenders are utilizing newer methods of manufacturing weapons that have capabilities to evade traditional scanning methods.

Plastic and composite component advances have led to the creation of lightweight weapons and the exclusion of metals that make these weapons a challenge for detection.

MMW technology is extensively used in applications across various sectors including military & defense, and security.

### ***The Market Gap***

MMW is the radio signal within the frequency bands between 30 gigahertz (“GHz”) and 300 GHz. Compared to WiFi signals, the millimeter wave has a shorter wavelength with higher directionality.

The millimeter wave has several weaknesses in comparison with WiFi signals:

1. The millimeter wave suffers from significant propagation attenuation, making it hard to penetrate through baggage.
2. It is hard to obtain the refraction and absorption components of a millimeter wave caused by an object due to its high directionality. Thus, the millimeter wave might not be suitable to support an object’s material estimate inside of a bag.
3. The limited transmission range of the millimeter wave also limits its scalability in real-world scenarios.
4. The commercial use of a millimeter wave ranges from 71 GHz to 76 GHz, 81 GHz to 86 GHz, and 92 GHz to 95 GHz, and requires operational permission and a license from the Federal Communications Commission (“FCC”).

### ***Uniqueness of Proposed WiFi Detection Technology***

The unique selling proposition of the Company’s proposed WiFi detection technology includes:

1. Use of WiFi technology;
2. Easy set-up;
3. Reduced security screening cost (compared to MMW);
4. May avoid the necessity of bag opening during screening (increased privacy); and
5. A reduced workforce needed to manage the detection system.

### ***Stage of Development***

The Company’s WiFi-based threat detection products are currently in the research and development stage. The Company has not currently developed a working prototype for its products and there is no guarantee the Company will be able to develop such working prototype. With respect to its research and development efforts, the Company will use a combination of in-house and outsourced research. The Company has engaged Naresh Singhal to act as CTO and lead in-house development of the WiFi-based products (see “Directors and Officers” and



“Compensation of Executive Officers – Management Agreements, Consulting Contracts, Termination and Change of Control Payments”). Naresh Singhal is leading two outsourced development efforts: 1) Misty West, which is a rapid prototype firm based in Vancouver, BC which is leading our development work; and 2) Rutgers University and inventor Dr. Jennifer Chen. Dr. Chen will provide graduate student led research through Rutgers. Please see “Narrative Description of the Business – From MVP to Development – Year 1 Milestones”. For a description of the additional steps required to reach commercial production and an estimate of costs and timing, please see “Narrative Description of the Business – Business Objectives and Milestones”. A future outsourced manufacturing partner will likely handle parts procurement and receiving product assembly, packaging, and shipping to distribution. For inventory management, product distribution and order fulfillment, the Company plans to partner with a direct-to-market fabrication company. The Company is still investigating suitable manufacturing partnerships.

### ***From MVP to Revenue – Year 1 Milestones***

The business of the Company is generally informed by a high technology start-up strategy, pioneered in Silicon Valley, and detailed in the book “Lean Startup” by Eric Ries (the “**Lean Startup Strategy**”)<sup>5</sup>, and in particular informs the Company’s anticipated expenditure of funds, in the first 12 months following the completion of the Offering.

In order to achieve the Company’s stated Business Objectives and Milestones as detailed above, the Company intends to execute a Lean Startup Strategy in the 24 months following the completion of the Offering, with the single overriding objective being the delivery of a version 1.0 Detection product to market in that same time period. Upon release of the Company’s version 1.0 Detection product, the Company anticipates that it will generate its first sustainable revenue stream, from both products and services, that will enable the Company to develop a business model that will assist the Company in capturing a significant portion of the global market for detection of concealed weapons and dangerous objects.

The company’s Lean Startup Strategy relies on two fundamental assumptions:

1. *MVP*: The Company will rapidly prototype and develop a MVP that relies on delivering a functional, but not necessarily feature rich, product to the market, as quickly as possible in order to secure real-world customer initial customer feedback (“**alpha testers**”) with the objective of iterating and improving the MVP over time, based on alpha tester feedback, with a further key assumption being customers that sign on as alpha testers will become advocates for the company’s products and/or services, or in the alternative, initial revenue paying customers, for the company’s version 1.0 products.
2. *Agile*: The Company’s MVP development process will adhere to an “agile” based software development methodology. Agile is a software development and business process methodology that values flexibility and real world customer input.

### *Development of the MVP*

The Company’s primary use of proceeds from the Offering will be to accelerate its current Detection product offering (see “Narrative Description of the Business – Business Objectives and Milestones” and “Use of Proceeds”).

On May 2, 2019, the Company entered into a professional services agreement with MistyWest Energy and Transport Ltd. (“**Misty West**”), a Vancouver, BC based high technology product development firm, pursuant to which MistyWest agreed to provide product development services to the Company at a rate of US\$180 per hour (the “**First MistyWest PSA**”) for a period of approximately 22 weeks. As of the date of this Prospectus, the Company incurred liabilities under the First MistyWest PSA of \$404,988, which was \$85,550 in excess of its development budget initially estimated at \$319,438.

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<sup>5</sup> E. Ries, *The Lean Startup*, (2011: Crown Business), Online at: <http://theleanstartup.com> (“*Lean Startup*”).

On October 16, 2019, the Company entered into a second professional services agreement with MistyWest pursuant to which MistyWest agreed to provide product development services to the Company at a rate of \$235 per hour (the “**Second MistyWest PSA**”) for a period of approximately 6 weeks. As of the date of this Prospectus, the Company is approximately in week 2 of the Second MistyWest PSA and has incurred liabilities of \$63,739, which is approximately \$21,204 over the budgeted amount of \$42,535 for the same period. The total budget for the 6-week period is \$127,606.

In total, the Company has incurred liabilities of \$468,727 to Misty West.

A rotating team of between three and four full time equivalent (“**FTE**”) engineers are working to develop the Company’s detection MVP at Misty West, led by Principal Scientist, Dr. Kevin Robbie, who holds a BSc degree in Engineering Physics, and a PhD degree in electrical and computer engineering, and formerly served as a professor at Queen’s University in Kingston, ON. The FTE’s on the Misty West team developing the Company’s MVP, hold advanced degrees in mathematics, physics and computer science.

In addition to development costs expended at Misty West, the Company has engaged Rutgers University to complete further research and development for the Company’s detection MVP, at a cost of US\$120,000 per annum, pursuant to the terms of a sponsored research agreement, effective as of September 15, 2019 (the “**Rutgers SRA**”). The Company has also engaged Rutgers’ Dr. Yingying (Jennifer) Chen and Temple University’s Dr. Yan Wang, co-inventors of the Company’s WiFi-based threat detection technology, and Dr. Steve Dipaola, an expert on artificial intelligence at Simon Fraser University in Surrey, BC to act as technology advisors, and each are paid a monthly consulting fee for their services and are called upon to solve specific engineering problems and tasks.

In the 12 months following the Offering, the Company estimates it will expend at least \$1,397,600, through further engagement of Misty West, one or more outsourced foreign high technology development companies, the Rutgers SRA and technical advisory fees, to complete its version alpha MVP. See “Use of Proceeds”.

The development of an MVP version of the Company’s WiFi-based threat detection technology is anticipated to be the Company’s first, significant business deliverable.

In addition, the Company has secured statements of work with Charles River Laboratories Inc. (“**Charles River**”) for the testing and development its Capsaicin Antagonist Formula (as defined herein) (the “**Charles River SOW**”). Charles River is an American corporation specializing in a variety of preclinical and clinical laboratory services for the pharmaceutical, medical device and biotechnology industries. Pursuant to the terms of the Charles River SOW, Charles River is conducting a study titled “A GLP Acute Irritation Study of Capsazepine by Ocular Administration in Rabbits”, which examines the effects of the Capsaicin Antagonist Formula on rabbits in a laboratory setting in Charles Rivers’ Spencerville, Ohio testing facilities. By measuring corneal opacity, iris lesion, conjunctival redness and conjunctival edema, the study examines the levels of ocular irritation after exposure to the Capsaicin Antagonist Formula. As of the date of this Prospectus, the Company has paid a total of US\$21,400 to Charles River under the Charles River SOW.

#### *Alpha Testers and Agile Development*

The need to identify, engage and deploy the Company’s MVP with alpha test customers is a key strategic consideration in the Company’s Lean Startup Strategy. An MVP, as defined by the Company’s Lean Startup Strategy, is a true product, in that it can be used for threat detection, but the feature set, deployment environment, and usage is limited in expected comparison with more fully featured, future anticipated versions of the product. The Company expects to deploy a version alpha MVP to customers approximately 12 months following the completion of the Offering. See “Narrative Description of the Business – Business Objectives and Milestones”.

A major strategic concern for many early stage companies, is that the sales cycle for new high technology product entrants can be long and difficult. Because a start-up company by definition, does not have a long operating

history, major customers, such as governments, may be reluctant to work with the Company. Given this often challenging business environment, the Lean Startup Strategy was developed to anticipate these challenges and address them. The strategic objective for the Company in completing an MVP is to build initial customer relationships, in each of the Company's anticipated sales verticals, which often involve limited, or sharply reduced costs to the alpha tester, in order to secure a long-term relationship to prove the market for the Company's products and services. In addition to developing a valuable customer relationship which can be built upon in the future, the Lean Startup Strategy views the information that is gained from these early MVP alpha testers as critical to the development of future versions of the Company's products and services. By deploying an Agile product development methodology, the Company is able to rapidly integrate customer feedback in its product roadmap and development activities, to identify new product features, bugs, quality issues, and operational and installation difficulties to engineer better, higher-quality versions of the Company's products and services for future release.

Given that management of the Company anticipates its WiFi-based threat detection technology may be utilized to secure airports, theatres, places of worship, shopping centres and other "soft targets" where the general population is vulnerable to mass shooting or terrorist attacks, it is patently obvious that a high degree of functionality and sufficient level of quality of service is necessary for the Company's products and services to secure broad market success.

The MVP helps to ensure that the Company can build better products, through deployment of functional, but feature limited, products in real-world customer scenarios as soon as possible.

The Company's Lean Startup Strategy is thus premised on a need to expend significant development fees in the first year following the Offering, on research and development, with the goal of securing alpha tester customers for the Company's MVP. See "Use of Proceeds".

#### ***From Beta to Sustainable Business – Year 2 Milestones and Beyond***

In the event management is successful in its execution of the Company's Lean Startup Strategy in the 12 Months following the Offering, the Company will have achieved the following Business Objectives and Milestones:

1. a working MVP;
2. a network of alpha testers that may be expanded into significant customer relationship; and
3. the Company's first revenue.

In the second 12-month period following completion the Offering, the Company intends to expend approximately \$1,535,400 to complete the development of its version 1.0 product.

Alpha tester customers will become "reference customers" for whom the Company anticipates it will expend further significant marketing dollars, attending further industry trade shows, industry events and advertising in digital and print publications, to advertise the anticipated success of the alpha tester program, and to communicate the advantages of the Company's Detection products to the market.

With a more fully featured version 1.0 product, with better features and functionality, tested and validated by alpha tester customers, the Company anticipates securing its first significant revenues and begin building and scaling its business model thereafter.

No market for the Company's Detection product may materialize, or the Company's research and development efforts may not be successful. A full-featured general WiFi-based threat detection product may thus not be scientifically or commercially viable. In such a scenario, the Company's Lean Startup Strategy may require a pivot of the business.

### Response Line of Business

The Company's Response line of business involves commercializing a short acting pepper spray and pepper spray exposure antidote that had its initial research completed by the NIH.

Law enforcement officials have long recognized that a wide and dangerous gap exists in the range of tools that are available to them. The most common law enforcement tools, the nightstick and the gun, may be either too weak or too strong of a response to many situations. The use of force, or deadly force, by law enforcement officers presents two serious problems for society. First, the use of deadly force frequently offends human rights, and the right of a suspect to due process. Second, growing numbers of communities are suffering financial hardships because of civil liability suits alleging the use of excessive force by law enforcement officers.

Increases in violent police encounters coupled with court-imposed limitations on the use of deadly force have resulted in an almost universal demand for a safer and effective less-than-lethal ("LTL") force alternative. Increased civil liability and injury-related costs have further necessitated the development of a viable force option, such as pepper sprays and electric Taser®.

Law enforcement operates within what is called a "continuum of force." It provides guidance to law officers for selecting the type of option or weaponry to use in a variety of situations. The continuum normally begins with asking a subject to respond to voice commands. If the subject does not respond, the continuum may escalate to the next levels of force. The amount of force used is based on the amount of subject's resistance.

Levels of Force	Force Options	Pros & Cons
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Officer Presence	Uniform Presence	Requires a compliant subject
Verbal Command	Officer's Voice Command	Requires a compliant subject
Empty Hand Control	Soft or hard defensive tactics	High probability of injury or death to officer or subject
Pepper Sprays	OC	Immediate effect, but excessive multi-hour recovery period (unnecessary pain + officer loss of time)
Electric Shock Weapons	Taser	Can be Lethal - Socially Unacceptable
Impact Weapons	Batons	Can be lethal - Negative Press - Socially Unacceptable
Lethal Force	Firearms	Lethal - Negative Press - Socially Unacceptable

The Taser electric weapon has become a standard option for many law enforcement agencies. Taser discharge two wire trailing darts with hooks up to 30 feet. However, certain medical conditions, including drug use and heart disease as well dart placement can increase the risk of Taser-related death.

### ***Pepper Spray Challenge***

Pepper sprays are the standard issue for most law enforcement agencies due to their high rate of effectiveness and overall safety. At proper dosage the effects of pepper spray are immediate and cause intense pain and disorientation. The effects usually last anywhere from 45 minutes to several hours. While an immediate effect is desirable to control a non-compliant and combative subject, the prolonged recovery period is excessive and not practical in the field. The excessive recovery period causes unnecessary pain and discomfort for the subject. Additionally, the prolonged recovery period means that an officer must standby and attend to the subject during the multi-hours of recovery while losing precious time from other incidents and duties that may require immediate attention.

As instantaneous media coverage expands and litigation pressure mounts, law enforcement officials are being forced to change the way they use pepper spray and how they manage the subject or crowd after its use. A new, short-acting pepper spray and or antidote will enable law enforcement to subdue and control the subject while accelerating the recovery period or provide a quick acting treatment option shortly after use.

Similarly, thanks to global social media coverage, there is a tremendous mounting pressure on the military during their peacekeeping missions. The new, short-acting spray provides effective crowd control while minimizing the negative images that are seen after pepper spray is applied. The prolonged effect of the existing pepper spray also causes disruption among military personnel because their role must switch from peacekeeping to rendering first aid.

### ***The Solution: A New Short Acting Spray that Minimizes the Duration of Effects after Exposure***

To eliminate the challenge of the prolonged recovery period, the Company has licensed technology from the National Cancer Institute and the NIH, to develop a new short acting pepper spray, and or an antidote treatment which utilizes a capsaicin antagonist formula (the "**Capsaicin Antagonist Formula**").

This discovery directly impacts capsaicin, the active ingredient within pepper spray, by inhibiting its prolonged aftereffects. Capsaicin is considered an agonist. Agonists are those substances that stimulate nerve receptors, such as the Transient Receptor Potential Vanilloid 1 ("**TRPV1**") nerve receptor. To inhibit capsaicin from producing prolonged effects, another substance or an antagonist will be introduced into a new formula to gradually block capsaicin's effects over time. The end result will be development of an agonist/antagonist mixture for pepper spray application as well as a first aid antidote treatment.

The function of TRPV1 nerve receptors is the detection and regulation of body temperature. In addition, TRPV1 provides a sensation of scalding heat and pain when in contact with capsaicin. The research objective is to identify an antagonist that can block the TRPV1 from response to capsaicin and to develop it into a newly formulated short acting pepper spray. After researching multiple antagonists, several were isolated as the preferred antagonist.

In a real life application of pepper spray, after the subject comes into contact with capsaicin, the usual effects of pepper spray are immediately realized. The intention is to develop a product that will reduce the pain and irritation caused by the pepper spray within a reasonable time period.

With the discovery and development of a Capsaicin Antagonist Formula, a major market could emerge for a **first aid antidote** for use in the existing pepper spray market globally.

Because capsaicin is not water soluble, even large amounts of it used to flush the affected area does not reduce the severity of the symptoms. Some studies have been done using a variety of different compounds from milk to baby shampoo without any meaningful reduction on the severity of discomfort caused by exposure.

The Capsaicin Antagonist Formula can be used for first aid purposes to neutralize pepper spray after effects.

### ***Risk Assessment and Contingency Plan***

The Company believes that one of the greatest mitigations of risk in its proposition, is that accept for varying concentration levels of capsaicin, there have not been any significant changes to pepper spray formulations since it was first introduced. This has created a fertile ground for introducing a new formulation that addresses what the company believes is a major issue with pepper spray within police forces globally, being an unnecessarily prolonged recovery period after exposure.

Also, the Company plans to be the first in the world to offer a first aid antidote treatment for pepper spray exposure, which will be a first to market proposition. For those customers that are slower to adopt new products like a short acting pepper spray, the Company believes that it will have little market resistance to its first aid antidote treatment. This product will not only be sold to the current typical customers of pepper spray, but to a

much larger market including emergency medical technicians (“EMTs”), ambulances, paramedics, fire departments and hospital emergency rooms.

By way of contingency plans, the Company also has a variety of sales and distribution options for its products. This includes manufacturing the products directly or contracting the manufacturing out to a third party. The Company can and establish a new brand and sell through established distribution channels or licensing the formulas out for the two products to one of the world’s largest players in the industry. The Company can also manufacture the products under white label agreements with a number of major industry players.

The Company believes that the barriers to entry into the market are not significant. This includes being able to access the raw materials if the Company chooses to engage in direct manufacturing. The Company will evaluate potential sources of raw materials in the normal course as research progresses. The starts up costs, as outlined in the capital requirements section, are also relatively low, compared to the 5 year projected net revenues.

If the new products come under regulatory oversight, the Company will not be viewing this as a challenge but rather as a positive in that that it will help provide assurances to the market that the new formulation is both safe and effective possibly reducing a potential barrier into the market.

The current market’s distribution channels are well known and are mature, making it less costly and less complicated to introduce new products. Due to the nature of the product, the buying cycles appear to be relatively short and single procurement offices tend to make purchases for a substantial number of end user customers making direct sales outreach and contact an easier task.

Finally, as sales of the product increase, additional capital should become available to help fuel ongoing growth.

### ***Pepper Spray Background***

Pepper spray’s active ingredient is based on the extract of the dried ripe fruits of Capsicums (chili peppers). It is an alkaloid called Capsaicin (kap-sa-i-sin), an unusually powerful and pungent crystalline substance found in no other plant. Capsaicin is the source of pungency and heat in Capsicum peppers.

### ***From Tear Gases to Pepper Spray***

For years as an alternative to deadly force, law enforcement agencies have used tear-gases such as Chloroacetophenone (“CN”) and Orthochlorobenzalmalonitrile (“CS”). These chemicals are classified as “irritants” and are tearing agents that rapidly induce profuse watering of the eyes upon application. While still considered effective for tactical use, CS and CN have fallen into some disfavor for patrol officer use. Agent side effects include possible burning and/or depigmentation of the exposed skin. There are problems associated with decontamination, due to the microparticulate nature of chemical irritants, which tend to persist in exposed areas. Cross-contamination of officers and the environment (e.g. patrol cars, booking areas, holding cells, etc.) is also common. Chemical agents are not optimally effective on certain persons including those with a high threshold for pain, those who are under the influence of drugs and/or alcohol, and those who are mentally ill or extremely agitated. Tearing and irritation of CS and CN are not sufficient to stop driven and highly agitated individuals. Dissatisfaction with the available tools and tear gas agents led law enforcement to search for an alternative agent, resulting in the introduction of professional grade pepper spray in the early 1980’s.

### ***Pepper Spray as an Inflammatory Agent***

Pepper spray active ingredients are based on Oleoresin Capsicum (“OC”) the extract of the dried ripe fruits of Capsicums (chili peppers). The property that separates the Capsicum family from other plant groups is an alkaloid called Capsaicin (kap-sa-i-sin), an unusually powerful and pungent crystalline substance found in no other plant. Capsaicin is the source of pungency and heat in Capsicum peppers. Due to its Capsaicin content, OC is classified as an “inflammatory” agent. OC causes an immediate closing of the eyes, uncontrollable and an intense burning sensation of the skin. When properly used, OC is highly effective on both humans and animals.

**Physiological Effects of Pepper Spray**

Exposure to Capsaicin will produce an inflammatory effect that causes mucous membranes to swell, producing an immediate closing of the eyes and uncontrollable coughing. Additionally, intense burning sensation of the skin is experienced. These physiological effects usually prevent any further aggressive behavior, resulting in an immediately compliant subject. At proper dosage all effects are experienced upon contact and will usually dissipate within 45 minutes to several hours afterwards.

Capsaicinoids affect three physiological targets:

<b>Eyes</b>	<b>Respiratory</b>	<b>Skin</b>
<b>Immediate closing of eyelids</b>	<b>Uncontrolled coughing</b>	<b>Intense Burning Sensation</b>

**Hand-Held Aerosol Devices**

Hand-held aerosol devices are used in the field and in training exercises by law enforcement personnel and as commercial products for self-protection. These products are marketed as different types of spray devices under varying trade names (e.g. Capstun, CapTor, Freeze, Guardian, Punch II, Sabre, First Defense, etc.). Pressurized dispensers of varying sizes and shapes have been available to law enforcement agencies and for over the-counter sale since the 1960s. Typical spray canisters range from 0.3- to 10-ounce containers. These devices have the capability to dispel active ingredient(s) in the form of an aerosol for 3–18 meters. The maximum direct spray range of personal defense products is generally 2–5 meters. However, irritant effects can be produced up to 30 meters in distance depending on a few factors such as canister size, pressurization, amount of active ingredient, nozzle type, and ambient conditions.

**Market Opportunity and Market Segments**

The global pepper spray market can generally be broken down into 2 major applications, being police use and personal defense. Police use represents a 44% share of the reported total global market. The personal defense market is not considered a viable market segment for the Company and its planned products and is therefore not included in the company’s financial projections.

However, a third major market for pepper spray not formally reported herein is the military market. The Company will market the new pepper spray formula to not only the military police segment but also those responsible globally for peacekeeping and crowd control missions.

The Company will offer its first aid treatment product to the police and military also, as well as EMTs, ambulances, paramedics, fire departments and hospital emergency rooms globally as well.

Please note the following information on the global pepper market sales by region and segments:

**Table Global Pepper Sprays Volume (K Units) and Value/Revenue (Million USD) by Regions**

Market Size by Regions	2013		2017		2023	
	Volume	Value	Volume	Value	Volume	Value

<b>North America</b>	2,033	30.85	2,531	41.73	3,484	62.25
<b>Europe</b>	1,886	26.49	2,396	31.47	3,207	46.31
<b>Asia-Pacific</b>	2,804	29.39	3,939	40.82	5,774	64.53
<b>South America</b>	797	7.18	994	10.20	1,313	14.38
<b>Middle East &amp; Africa</b>	469	3.57	587	3.61	860	5.72
<b>Total</b>	7,989	97.48	10,447	127.83	14,638	193.19

Source: Primary Interviews, Secondary Sources, Gen Consulting Company

**Table Global Pepper Sprays Sales (K Units) by Application (2017-2023)**

Market Size by Regions	2013		2017		2023	
	Volume	Value	Volume	Value	Volume	Value
<b>Personal Defense</b>	4,613	32.17	6,198	43.46	9,027	69.82
<b>Police Use</b>	3,376	65.31	4,249	84.37	5,611	123.37
<b>Total</b>	7,989	97.48	10,447	127.83	14,638	193.19

Source: Primary Interviews, Secondary Sources, Gen Consulting Company

### ***US Law Enforcement***

The United States (“US”) Law Enforcement market segment includes federal, state, prison and correctional agencies. It also includes private security firms. The US Law enforcement market is the most mature and oldest market since pepper spray was initially introduced in this market in the early 1980’s.

In 2008, state and local law enforcement agencies employed more than 1.1 million people on a full-time basis, including about 765,000 sworn personnel (defined as those with general arrest powers). The agencies include municipalities, county, transit and airport security, motor vehicles, state, corrections, park, courts, probations and federal agencies to name a few.

The Company is targeting achieving a market penetration in this segment of 55% over a five year period.

### ***US Military***

In 1994, the US Air Force was the first among the armed forces to adopt pepper spray under its National Stock program for the protection of its facilities worldwide. Additionally, the US military has used pepper spray in several of its highly publicized missions including Rwanda. Military police from the U.S. Army 10<sup>th</sup> Mountain Division and 82<sup>nd</sup> Airborne Division as well as the U.S. Marine Corps 1<sup>st</sup> Marine Expeditionary Force have also used pepper spray during operations in Haiti and Somalia among others. Currently, there are 1,347,106 active members in the US Military. As peacekeeping missions increase, the potential for all military members to have access to LTL force alternative weapons, including pepper spray, is a growing possibility and could represent a significant market segment.

### ***International Law Enforcement***

Currently pepper spray is used in 52 countries around the world. There are over 4 million law enforcement officers in the 7 largest markets including Europe, Africa, Asia, Australia, Oceania and South America and North America and approximately 9.4M members in the International military.

### **Continents**

### **Law Enforcement Officers**



Africa	625,000
Asia	1,805,300
Australia	35,000
Europe	1,434,000
North America	315,500
Oceania	10,000
South America	574,000
<b>Total</b>	<b>4,798,800</b>

***International Military***

Currently pepper spray is used in 52 countries around the world. There are over 9.4 million military officers in the 7 largest markets including Europe, Africa, Asia, South America, Australia, Oceania and Canada, in the International military.

<b>Continents</b>	<b>Military Officers</b>
Africa	555,000
Asia	3,882,000
Australia	30,000
Europe	3,387,000
Canada	328,800
Oceania	10,000
South America	1,226,000
<b>Total</b>	<b>9,418,800</b>

The Company is targeting achieving a market penetration in this segment of 5% over a five-year period.

***US and Global Emergency Response***

With the discovery of a capsaicin antagonist formula, a major opportunity emerges for an antidote for use in existing pepper spray market. The development of first-aid products to be used as antidotes to pepper sprays creates an entirely new market that currently does not exist. The new antidote can be used for first-aid purposes to neutralize pepper spray after effects.

The end-user market is vast and global. It includes police officers, patrol officers, EMTs, ambulances, paramedics, fire departments and hospital emergency rooms, just to name a few. Current estimates in the USA alone show that there are 52,000 ambulances, 600,000 EMTs, 142,000 paramedics and 1,134,000 firefighters, many of who are cross-trained in emergency medical services. Estimates for Europe and the United Kingdom are approximately 493,000.

<b>End User</b>	<b>Total Individuals</b>
US Law Enforcement	765,000
US Emergency Response	1,928,000
US Total	2,693,000

United Kingdom	32,000
Europe	461,000
Europe Total	493,000

### ***Trends in the Industry***

The pepper spray industry has been fairly static in the last 10 years. There have been few if any new product offerings and very little has changed in terms of usage policy's within the police use market segment.

The two biggest segments showing the potential for the greatest growth include the police use segment in developing nations as well as the global Military market.

### ***Government Regulations***

Pepper spray is not regulated by the US Food and Drug Administration ("FDA") and its use as an animal repellent falls under the Environmental Protection Agency ("EPA"). The only government regulation that pertains to pepper spray for human application is for transportation purposes and it is the same guideline that applies to any other aerosol. Since aerosols are under pressure or flammable, a precise shipping label such as ORM-D (Other Regulated Material - US Department of Transportation) or UN1950 (International Air Transport Association) must be applied to the shipping container.

However, since the new pepper spray formula that is being developed by the Company includes a new substance, the Company will be seeking guidance from the FDA on regulatory clearance as well as regulatory approval in any other global market where the new compound (s) fall under government monitoring.

The Company will be taking the position that it may fall under FDA regulation and will be taking steps throughout the development phase to ensure that it uses clinical grade material and that it will undertake pre-clinical and clinical studies at a level that will help ensure a speedy approval process if full regulatory approval is required.

### ***Products***

For its response business line of business, the Company will be focusing on two key products for the police use, military and emergency response/medical market segments globally. The Company may retain a contract manufacturer to produce the two products for global distribution, or the Company may choose to license the formulation for both products to a leading manufacturer and distributor in the Global pepper spray market. Alternatively, the Company may engage in a blend of the two distribution strategies on a market-by-market basis.

### ***New Pepper Spray Formula***

The goal is a new pepper spray product that will be a blended formulation of a new short acting pepper spray and the Capsaicin Antagonist Formula. The goal is for the Capsaicin Antagonist Formula to remain highly effective and safe, but drastically minimizes the duration effects after exposure. The product will be marketed as a new alternative to current product offerings and will be positioned as the most advanced formulation of its kind, addressing a number of both operational and societal issues that are having an impact on the industry.

The product will be delivered using the most current, tested and proven aerosol canister technology and will be made available in a range of sizes in order to meet the specific demands of each market segment need.

### ***Pepper Spray First Aid 'Antidote'***

Certain variations of the Capsaicin Antagonist Formula will be offered to the global market as a first aid treatment for the exposure of pepper spray. Since it may take a number of years for the new short-term acting pepper spray product to be accepted in the marketplace the Company believes that the simultaneous introduction of the first

aid product will be ideal. Since there is no current effective treatment for pepper spray exposure, the Company believes that by offering the market a first aid treatment, it will not only be able to address a major need, but at the same time introduce the Company to perspective customers for Capsaicin Antagonist Formula.

The market for this version of the Capsaicin Antagonist Formula not only includes all police and military who currently use pepper spray but also includes all emergency medical services, ambulance providers, paramedic services, fire departments and hospital emergency centers.

The Company will determine what delivery method will be used to deliver the first aid product (foam, “kimwipe”, mist) during the product development phase.

### **Stage of Development**

The Company’s pepper spray products are currently in the research and development stage. The Company anticipates outsourcing all research and development efforts for the pepper spray product. The Company’s investment in research and development over the next 12-24 months will be minimal and limited largely to maintaining the terms of NIH License. The Company has also engaged Charles River for the testing and development its Capsaicin Antagonist Formula. Please see “Narrative Description of the Business – From MVP to Development – Year 1 Milestones”. For a description of the additional steps required to reach commercial production and an estimate of costs and timing, please see “Narrative Description of the Business – Business Objectives and Milestones”.

## **USE OF PROCEEDS**

### **Proceeds**

The Company expects to receive net proceeds of \$3,193,750 from the Minimum Offering and \$6,413,750 from the Maximum Offering (after deducting the portion of Agent’s Fee and corporate finance fee payable in cash, but before deducting other expenses of the Offering). The net proceeds of the Offering will be added to the Company’s estimated working capital as at October 31, 2019 of \$1,288,008, which will result in approximately \$4,481,758 in available funds to the Company from the Minimum Offering and \$7,701,758 in available funds to the Company from the Maximum Offering.

During the financial year ended June 30, 2019, the Company had negative cash flow from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, there can be no guarantee that this will be the case. To the extent that the Company has negative cash flow in any future period, the net proceeds from the Offering may be used, in part, to fund such negative cash flow. See “Risk Factors – Negative Operating Cash Flow”.

### **Principal Purposes**

The Company anticipates using the available funds for the following principal purposes:

<b>Principal Purposes</b>	<b>Estimated Amount to be Expended (Minimum Offering) (\$)</b>	<b>Estimated Amount to be Expended (Maximum Offering) (\$)</b>
To pay the balance of the estimated remaining costs of the Offering <sup>(1)</sup>	\$116,000	\$116,000
To pay the estimated general and administrative expenses for 12 months <sup>(2)</sup>	\$1,665,800	\$1,665,800
Estimated product and market development costs for twelve months <sup>(3)</sup>	\$2,509,900 <sup>(4)</sup>	\$2,509,900 <sup>(4)</sup>

Unallocated working capital	\$190,058	\$3,410,058
<b>Total:</b>	<b>\$4,481,758</b>	<b>\$7,701,758</b>

**“Notes:**

- (1) Includes the agent’s expenses, legal, audit, regulatory, listing and printing fees.
- (2) See “Narrative Description of the Business – Estimated General and Administrative Expenses for the Next 12 Months.”
- (3) For the timing and stage of research and development programs that management anticipates will be reached using such proceeds, please see “Narrative Description of the Business – Business Objectives and Milestones”, “Narrative Description of the Business – From MVP to Development – Year 1 Milestones” and “Narrative Description of the Business – From Beta to Sustainable Business – Year 2 Milestones and Beyond”. For the major components of the proposed programs that will be funded using the proceeds from the distribution, including the anticipated costs, please see “Narrative Description of the Business – Business Objectives and Milestones”, “Narrative Description of the Business – From MVP to Development – Year 1 Milestones” and “Narrative Description of the Business – From Beta to Sustainable Business – Year 2 Milestones and Beyond”. Please also see “Narrative Description of the Business – Detection Line of Business – Stage of Development” and “Narrative Description of the Business – Response Line of Business – Stage of Development”. For a description of the additional steps required to reach commercial production and an estimate of costs and timing, please see “Narrative Description of the Business – Business Objectives and Milestones”.
- (4) Of the estimated product and market development costs, \$1,397,600 is attributable to the Company’s Detection line of business, \$241,400 is attributable to the Company’s Response line of business and \$870,900 is attributable to market development costs (such amount does not include the \$255,800 attributable to shareholder communications and investor relations costs – please see Narrative Description of the Business – Estimated General and Administrative Expenses for the Next 12 Months). The \$1,397,600 attributable to the Company’s Detection can be broken down as follows: (i) \$656,400 for the Company fast prototype intellectual property validation; (ii) \$662,400 for the Company’s version alpha laptop product; and (iii) \$78,800 to Rutgers to satisfy the license issue fee under the Rutgers License Agreement. The \$241,400 attributable to the Company’s Response line of business can be broken down as follows: (i) \$27,000 to NIH for the execution royalty under the NIH License Agreement; (ii) \$11,800 to NIH for the pro-rated 2019 minimal annual royalty under the NIH License Agreement; \$82,600 to NIH for past incurred intellectual property costs paid by NIH; and (iv) \$120,000 to Charles River for costs related to the Charles River SOW. See “Narrative Description of the Business – Business Objectives and Milestones”, “Narrative Description of the Business – History”.

Upon completion of the Offering, our working capital available to fund ongoing operations will be sufficient to meet our administrative costs for at least twelve months. The Company intends to spend the net funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See “Risk Factors”.

As at June 30, 2019, the Company has incurred losses of \$566,817 since inception. Although we expect to become profitable, there is no guarantee that will happen, and we may never become profitable. The Company anticipates it will continue to have negative cash flow from operating activities unless and until commercial production is achieved. A portion of the proceeds from the Offering will be used to fund negative cash flow from operating activities in future periods. See “Risk Factors – Negative Operating Cash Flow”.

#### **DIVIDENDS OR DISTRIBUTIONS**

The Company has not declared any cash dividends or distributions for any of our securities and no such dividends or distributions are contemplated for the current financial year. As of the date of this Prospectus, there are no restrictions that prevent the Company from paying dividends on its Common Shares. The Company has neither declared nor paid any dividends on its shares and it is not contemplated that the Company will pay dividends in the immediate or foreseeable future. The Company currently intends to retain future earnings, if any, to finance the expansion of its business and does not anticipate paying dividends in the foreseeable future. Any future decision to pay dividends on the Company’s Common Shares will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

**SELECTED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS**

**Annual Information**

The following table sets forth summary financial information of the Company for the periods indicated. This information has been summarized from and should be read in conjunction with the Company’s audited financial statements for the fiscal years ended June 30, 2019 and June 30, 2018, and the period from incorporation on January 27, 2017 to June 30, 2017, contained in this prospectus as Schedule A.

	<b>Year Ended June 30, 2019</b>	<b>Year Ended June 30, 2018</b>	<b>Incorporation (January 27, 2017) to June 30, 2017</b>
Total Revenues	\$nil	\$nil	\$nil
Total Assets at end of period	\$2,912,839	\$458,350	\$100
Expenses	\$563,340	\$45,866	\$nil
Net Loss	\$520,951	\$45,866	\$nil
Net Loss per Common Share <sup>(1)</sup>	\$0.04	\$458	\$nil
Net Loss per share on fully diluted basis	\$0.04	\$458	\$nil
Long-term debt at end of period	\$nil	\$nil	\$nil

**Note:**

(1) The loss per Common Share is computed by dividing income (loss) available to common shareholders by the weighted average number of Common Shares outstanding during the period. The weighted average number of Common Shares outstanding at June 30, 2019 was 13,961,908. The weighted average number of Common Shares outstanding at June 30, 2018 and at June 30, 2017 was 100.

**Selected Quarterly Results**

The Company is not a reporting issuer and has not prepared quarterly financial statements.

**Management’s Discussion and Analysis**

See Schedule B for Management’s Discussion and Analysis of the Issuer for the years ended June 30, 2019 and 2018.

**DESCRIPTION OF SECURITIES DISTRIBUTED**

**Authorized and Issued Share Capital**

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As of the date hereof, 40,955,210 Common Shares are issued and outstanding as fully paid and non-assessable common shares.

As of the date hereof, 3,488,802 common share purchase warrant are issued and outstanding.

There are 3,000,000 stock options reserved for issuance to officers, directors and consultants of the Company effective on the Listing Date to acquire Common Shares granted pursuant to the Company’s Stock Option Plan (the “Plan”), and up to 1,600,000 Common Shares are reserved for issuance upon exercise of the Agent’s Options.

## Common Shares

The Company will issue 10,000,000 Common Shares under the Minimum Offering and 20,000,000 Common Shares under the Maximum Offering.

The holders of Common Shares are entitled to receive notice of and attend and vote at all shareholder meetings. Each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

## Warrants

The Company will issue 5,000,000 Warrants under the Minimum Offering and 10,000,000 Warrants under the Maximum Offering. The Unit Shares and the Warrants comprising the Units will separate upon the closing of the Offering. Each Warrant is exercisable into one Warrant Share at the price of \$0.50 per Warrant Share, subject to adjustment, on or prior to 5:00 p.m. (Pacific Time) on the date that is 24 months after the Closing Date, after which time the Warrants will be void and of no value.

The Warrants will be governed by the terms of the Warrant Indenture. See "Material Contracts". The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants which will be filed by the Company under its corporate profile on SEDAR following the closing of the Offering. A register of holders will be maintained at the principal offices of Computershare in Vancouver, British Columbia.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;
- (iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and
- (v) the issuance or distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares, of evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustments in the class and/or number of securities issuable upon exercise of the Warrants and/or exercise price per security in the event of the following additional events: (a)

reclassifications of the Common Shares or a capital reorganization of the Company (other than as described in clauses (i) or (ii) above), (b) consolidations, amalgamations, arrangements, mergers or other business combination of the Company with or into another entity, or (c) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another entity, in which case each holder of a Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or preemptive rights or any other rights of a holder of Common Shares.

The Warrant Indenture will provide that, from time to time, the Warrant Agent and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of Computershare, relying on counsel, the rights of the holders of Warrants are not prejudiced, as a group. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, will be subject to approval by an "Extraordinary Resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 2/3% of the number of all of the then outstanding Warrants.

The principal transfer office of Computershare in Vancouver, British Columbia is the location at which Warrants may be surrendered for exercise or transfer

### **Agent's Options**

Under this Offering, the Company will issue Agent's Options to the Agent, entitling the Agent to subscribe for that number of Agent's Option Shares equal to 8% of the Units sold by the Company pursuant to the Offering (being 800,000 Agent's Option Shares in the event of the Minimum Offering and 1,600,000 Agent's Option Shares in the event of the Maximum Offering), at an exercise price of \$0.50 per Agent's Option Share at any time up to twenty-four (24) months from the Listing Date. This Prospectus qualifies the distribution of the Agent's Options.

### **CONSOLIDATED CAPITALIZATION**

The following table summarizes capitalization of the Company as at the date of this Prospectus and after giving effect to the Offering.

Description	Authorized	Outstanding at the date of this Prospectus (Audited)	Outstanding after giving effect to Minimum Offering (Unaudited)	Outstanding after giving effect to Minimum Offering (Unaudited)
Shares	Unlimited	40,955,210	50,955,210 <sup>(1)</sup>	60,955,210 <sup>(6)</sup>
Common share purchase warrants	Unlimited	3,488,802	8,488,802 <sup>(2)</sup>	13,488,802 <sup>(7)</sup>
Incentive Stock Options	Maximum 10% of issued and outstanding share capital <sup>(3)</sup>	3,000,000	3,000,000 <sup>(4)</sup>	3,000,000 <sup>(4)</sup>
Agent's Options	1,600,000	Nil	800,000 <sup>(5)</sup>	1,600,000 <sup>(5)</sup>
<b>Total:</b>		<b>47,444,012</b>	<b>63,244,012</b>	<b>79,044,012</b>

**Notes:**

- (1) This number includes the sale of 10,000,000 Unit Shares under the Minimum Offering.
- (2) This number includes the sale of 5,000,000 Warrants under the Minimum Offering.
- (3) Pursuant to the Plan, the number of the Company's common shares reserved for issuance will be a maximum of 10% of the issued and outstanding share capital of the Company at the date of grant. See "Options to Purchase Securities".
- (4) Effective as of the Listing Date, 3,000,000 stock options under the Plan have been granted to officers and directors of the Company. This number does not include the 2,690,000 stock options the Company will issue to certain consultants of the Company after the Listing Date.
- (5) As additional consideration for the sale of Units pursuant to this Prospectus, the Agent will be issued Agent's Options of the Company granted to the Agent, entitling the Agent to subscribe for that number of Agent's Option Shares equal to 8% of the Units sold by the Company pursuant to the Offering (being 800,000 Agent's Option Shares in the event of the Minimum Offering and 1,600,000 Agent's Option Shares in the event of the Maximum Offering), at an exercise price of \$0.50 per Agent's Option Share at any time up to twenty-four (24) months from the Listing Date.
- (6) This number includes the sale of 20,000,000 Unit Shares under the Maximum Offering.
- (7) This number includes the sale of 10,000,000 Warrants under the Maximum Offering.

**OPTIONS TO PURCHASE SECURITIES**

**Stock Option Plan**

The Plan was adopted by the Company on July 11, 2019. The purpose of the Plan is to give directors, officers, employees and consultants of the Company, as additional compensation, the opportunity to participate in the success of the Company. The Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance under the Plan, at any point in time, will be 10% of the number of Common Shares of the Company issued and outstanding at the time the option is granted (on a non-diluted basis), less any Common Shares reserved for issuance under share options granted under share compensation arrangements other than the Plan.

The Plan has been prepared so as to meet Exchange requirements. Options may be granted under the Plan to such officers, directors, employees, and consultants, of the Company and its affiliates, if any, as the Board may from



time to time designate. The exercise price of option grants will be determined by the Board, but will not be less than the closing market price of the Common Shares on the Exchange less allowable discounts at the time of grant. The Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares on a yearly basis. Subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, all options granted under the Plan will expire not later than the date that is five years from the date that such options are granted. Options granted under the Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Options granted as of the date of this prospectus are as follows:

<b>Category of Optionee</b>	<b>Number of Optionees</b>	<b>Number of Options</b>	<b>Exercise Price(s) of Options</b>	<b>Expiry Date(s) of Option</b>
All executive officers and past executive officers as a group	2	3,000,000 <sup>(1)</sup>	\$0.05	July 25, 2024
All directors and past directors as a group, excluding executive officers and past executive officers	0	0	N/A	N/A
All employees and past employees as a group	0	0	N/A	N/A
All consultants as a group	0	0	N/A	N/A

**Notes:**

(1) This number does not include the 2,690,000 stock options the Company will issue to certain consultants of the Company after the Listing Date.

In addition, pursuant to the terms of the Agency Agreement, the Company will issue Agent's Options Shares (up to 8% of the number of Units sold under the Offering) to the Agent, exercisable at a price of \$0.50 per Agent's Option Share for a period of twenty-four months from the Listing Date.

In addition, the Company will issue 2,690,000 stock options to certain consultants of the Company after the Listing Date.

**Warrants**

In connection with prior financings and other matters, the Company has issued warrants to purchase Common Shares, the terms of which are set forth in the following table.

Number of Warrants	Exercise Price	Expiry Date	Number of Common Shares into which Warrant may be Exercised
3,488,802	\$0.50	August 9, 2021	3,488,802

#### PRIOR SALES OF SECURITIES

The following table summarizes the sales of securities of the Company from incorporation to the date of this Prospectus. The figures below reflect prices and numbers of securities as at the date of issuance. See “Financing Activities”.

January 27, 2017 to Date of the Prospectus	Number of Securities	Price per security	Reason for Issuance
January 27, 2017	100	\$1.00	Incorporation shares
July 5, 2018	9,205,000	\$0.05	Private placement of shares
July 24, 2018	605,000	\$0.05	Private placement of shares
January 29, 2019	(205,000)	\$0.05	Private placement shares cancelled
February 20, 2019	10,000,000	\$0.05	NIH License Assignment Agreement
April 2, 2019	2,600,000	\$0.05	Private placement of shares
May 29, 2019	610,000	\$0.05	Private placement of shares
June 28, 2019	10,675,000 <sup>(1)</sup>	\$0.10	Rutgers License Assignment Agreement
June 30, 2019	787,500 <sup>(2)</sup>	\$0.10	Shares for debt settlement
July 25, 2019	(300,000)	\$0.05	Private placement shares cancelled
August 9, 2019	6,977,610	\$0.35	Private placement of units
<b>Total:</b>	<b>40,955,210</b>		

#### Notes:

(1) Although the Rutgers License Assignment Agreement contemplates a deemed value of \$0.10 per Common Share, it was determined that the fair value of each Common Share issued pursuant to the Rutgers License Assignment Agreement was \$0.05 per Common Share under IFRS.

(2) Although the Shares for Debt Settlement contemplates a deemed value of \$0.10 per Common Share, it was determined that the fair value of each Common Share issued pursuant to the Shares for Debt Settlement was \$0.05 per Common Share under IFRS. As a result, the Company recorded a gain on the Shares for Debt Settlement of debt of \$39,375 in the statements of comprehensive loss.

#### ESCROWED SECURITIES

##### Escrowed Securities

In accordance with National Policy 46-201 - *Escrow for Initial Public Offerings* (“NP 46-201”), all securities of an issuer owned or controlled by its Principals (as defined below) are required to be placed in escrow at the time of the issuer’s initial public offering, unless the shares held by the Principals or issuable to the Principals, upon conversion of convertible securities held by the Principals, collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering.

“Principals” include all persons or companies that, on the completion of the initial public offering, fall into one of the following categories:

- (a) directors and senior officers of the Company or a material operating subsidiary of the Company, at the time of the initial public offering;
- (b) promoters of the Company during the two years preceding the initial public offering;
- (c) those who own and/or control, directly or indirectly, more than 10% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering and if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;
- (d) those who own and/or control more than 20% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering; and
- (e) the spouse(s) and relative(s) that live at the same address as any of the above.

Pursuant to NP 46-201, the Principals of the Company and their spouses or relatives who hold Common Shares will be required to enter into an escrow agreement (the "**Escrow Agreement**") with the Company and Computershare, as escrow agent, effective the Listing Date, and a total of 21,712,600 Common Shares (the "**Escrowed Securities**") held by the Principals of the Company and their spouses will be deposited into escrow on the Listing Date, pursuant to the Escrow Agreement.

At the time of an initial public offering, an issuer is classified for the purposes of NP 46-201 escrow as either an "**exempt issuer**", an "**established issuer**" or an "**emerging issuer**." Uniform terms of automatic timed-release escrow apply to Principals of issuers carrying out initial public offerings, differing only according to the classification of the issuer. The Company will be classified as an "**emerging issuer**" under NP 46-201 upon the Listing Date, and accordingly the Escrow Agreement will provide for release of the Escrowed Securities over the thirty-six months following the Listing Date, with an initial 10% released upon the Listing Date, and the balance of a Principal's Escrowed Securities released from escrow in equal blocks of 15% at six month intervals as follows:

On the Listing Date	1/10 of the escrow securities
Six months after the Listing Date	1/6 of the remaining escrow securities
Twelve months after the Listing Date	1/5 of the remaining escrow securities
Eighteen months after the Listing Date	1/4 of the remaining escrow securities
Twenty-four months after the Listing Date	1/3 of the remaining escrow securities
Thirty months after the Listing Date	1/2 of the remaining escrow securities
Thirty-six months after the Listing Date	The remaining escrow securities

If the Company achieves "**established issuer**" status during the term of the Escrow Agreement, the release schedule will change. If the Company becomes an established issuer eighteen months or more after its Listing Date, all Escrowed Securities will be released immediately. If the Company becomes an established issuer within eighteen months of its Listing Date, there will be a catch-up release of all Escrowed Securities that would have been released had the Company been an established issuer as of its Listing Date, and remaining Escrowed Securities will be released in equal installments on the day that is six months, twelve months, and eighteen months after the Listing Date.

The following securities of the Company are held by, and are subject to the terms of the Escrow Agreement:

<b>Name</b>	<b>Number and Type of Security</b>	<b>Percentage of Class of Securities Prior to the Offering (%)<sup>(1)</sup></b>	<b>Percentage of Class of Securities Held After Giving Effect to the Minimum Offering (%)<sup>(2)</sup></b>	<b>Percentage of Class of Securities Held After Giving Effect to the Maximum Offering (%)<sup>(3)</sup></b>
<b>Bullrun Capital Inc.</b>	10,037,600 Common Shares	24.51%	19.70%	16.47%
<b>Rauni Malhi</b> <sup>(5)</sup>	800,000 Common Shares	1.95%	1.57%	1.31%
<b>Sandip Rai</b> <sup>(4)(6)</sup>	2,000,000 Common Shares	4.88%	3.93%	3.28%
<b>Justin Sangha</b> <sup>(4)(5)(7)</sup>	4,100,000 Common Shares	10.01%	8.05%	6.73%
<b>Milan Malhi</b> <sup>(4)(5)(8)</sup>	4,100,000 Common Shares	10.01%	8.05%	6.73%
<b>Baljinder Brar</b> <sup>(5)</sup>	150,000 Common Shares	0.37%	0.29%	0.25%
<b>Joyce Moreau</b> <sup>(5)</sup>	100,000 Common Shares	0.24%	0.20%	0.16%
<b>Jaswinder Brar</b> <sup>(5)</sup>	50,000 Common Shares	0.12%	0.10%	0.08%
<b>Beverley Busson</b> <sup>(5)</sup>	100,000 Common Shares	0.24%	0.20%	0.16%
<b>Rajinder Brar</b> <sup>(5)</sup>	75,000 Common Shares	0.18%	0.15%	0.12%
<b>Lyle McLennan</b> <sup>(5)</sup>	100,000 Common Shares	0.24%	0.20%	0.16%
<b>Mackenzie Elliot Bowell</b> <sup>(5)</sup>	100,000 Common Shares	0.24%	0.20%	0.16%

**Notes:**

- (1) Based on **40,955,210** Common Shares issued and outstanding prior to the Offering.
- (2) Assumes **50,955,210** Common Shares are issued and outstanding upon completion of the Minimum Offering, see "Consolidated Capitalization".
- (3) Assumes **60,955,210** Common Shares are issued and outstanding upon completion of the Maximum Offering, see "Consolidated Capitalization".
- (4) Received Common Shares as a designee of BullRun Capital pursuant to the NIH License Assignment Agreement. See "General Development of the Business – History".
- (5) Received Common Shares as a designee of BullRun Capital pursuant to the Rutgers License Assignment Agreement. See "General Development of the Business – History".

- (6) Sandip Rai is the niece of Kulwant Malhi, Chairman and Director of the Company. As a designee of BullRun Capital, Ms. Rai received 2,000,000 Common Shares pursuant to the NIH License Assignment Agreement. Ms. Rai received such Common Shares as a gift and paid no consideration for the Common Shares.
- (7) Justin Sangha is the brother-in-law of Kulwant Malhi, Chairman and Director of the Company. As a designee of BullRun Capital, Mr. Sanga received 4,100,000 Common Shares pursuant to the NIH License Assignment Agreement and Rutgers License Assignment Agreement. Mr. Sangha received such Common Shares as a gift and paid no consideration for the Common Shares.
- (8) Milan Malhi is the son of Kulwant Malhi, Chairman and Director of the Company. As a designee of BullRun Capital, Mr. Malhi received 4,100,000 Common Shares pursuant to the NIH License Assignment Agreement and Rutgers License Assignment Agreement. Mr. Malhi received such Common Shares as a gift and paid no consideration for the Common Shares.

The Escrow Agreement will provide that 2,171,260 Common Shares will be released from escrow on the Listing Date. The remaining 19,541,340 Common Shares of the Company which will be held in escrow immediately following the Listing Date will represent approximately 38.35% of the Common Shares issued and outstanding immediately after giving effect to the Minimum Offering, and approximately 32.06% of the Common Shares issued and outstanding immediately after giving effect to the Maximum Offering.

The Escrow Agreement will provide for transferability of Escrowed Securities within escrow to an individual who is a director or senior officer of the Company or of a material operating subsidiary of the Company, subject to the approval of the Company's board of directors, or to a person or company that before the proposed transfer holds more than 10% of the voting rights attached to the Company's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or of any of its material operating subsidiaries.

The Escrow Agreement will provide that upon the bankruptcy of a holder of escrowed securities, the Escrowed Securities may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities, as well as to a financial institution where the Escrowed Securities are being realized upon as collateral for a loan. Escrowed Securities may also be transferred within escrow to an RRSP, RRIF or other similar registered plan or fund with a trustee where the annuitant or beneficiaries, as the case may be, are limited to the Principal or his or her spouse, children or parents, or where the Principal is the trustee of such a registered plan or fund, to the annuitant or beneficiary, as the case may be, or his or her spouse, children or parents. Upon the death of a holder of Escrowed Securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

#### PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this prospectus, the following table lists those persons who own 10% or more of the issued and outstanding Common Shares of the Company as at the date hereof:

<u>Name and Municipality</u>	<u>Type of Ownership</u>	<u>Number and Type of Security</u>	<u>Percentage of Class of Securities Prior to the Offering (%)</u>	<u>Percentage of Class of Securities Held After Giving Effect to the Minimum Offering (%)</u>	<u>Percentage of Class of Securities Held After Giving Effect to the Maximum Offering (%)</u>
<b>Bullrun Capital Inc.</b> <sup>(4)</sup> Vancouver, BC	Direct	10,037,600 Common Shares	24.51% <sup>(1)</sup>	19.70% <sup>(2)</sup>	16.47% <sup>(3)</sup>

**Rutgers,  
on behalf  
of itself  
and The  
Research  
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n for The  
State  
University  
of New  
York,  
acting for  
and on  
behalf of  
Binghamt  
on  
University  
and the  
Trustees  
of Indiana  
University  
(5)**

Direct	0	0%	11.04% <sup>(6)</sup>	11.48% <sup>(7)</sup>
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Piscatawa  
y, New  
Jersey

**Notes:**

- (1) Based on **40,955,210** Common Shares issued and outstanding prior to the Offering.
- (2) Assumes **50,955,210** Common Shares are issued and outstanding upon completion of the Minimum Offering, see "Consolidated Capitalization".
- (3) Assumes **60,955,210** Common Shares are issued and outstanding upon completion of the Maximum Offering, see "Consolidated Capitalization".
- (4) Kulwant Malhi, Chairman of the Company, is a principal of Bullrun Capital Inc.
- (5) Pursuant to the Rutgers License Agreement and the Rutgers License Assignment Agreement, the Company (as a permitted assign of Bullrun Capital) must deliver to the Licensors, within fifteen (15) days after the completion of the Offering, Common Shares equal to 10% of the Company's then issued and outstanding Common Shares on a fully diluted basis.
- (6) In the event of the Minimum Offering and within 15 days of its completion, the Company will be required to deliver to the Licensors 6,324,401 Common Shares, based on 63,244,012 securities of the Company issued and outstanding upon completion of the Minimum Offering (see "Consolidated Capitalization"). Assuming completion of the Minimum Offering and after the issuance of Common Shares to the Licensors, there will be 57,279,611 Common Shares issued and outstanding, of which the Licensors will hold 6,324,401 Common Shares.
- (7) In the event of the Maximum Offering and within 15 days of its completion, the Company will be required to deliver to the Licensors 7,904,401 Common Shares, based on 79,044,012 securities of the Company issued and outstanding upon completion of the Maximum Offering (see "Consolidated Capitalization"). Assuming completion of the Maximum Offering and after the issuance of Common Shares to the Licensors, there will be 68,859,611 Common Shares issued and outstanding, of which the Licensors will hold 7,904,401 Common Shares.

**DIRECTORS AND OFFICERS**

The following table provides the names, municipalities of residence, position, principal occupations, and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

<b>Name and Municipality of Residence</b>	<b>Position to be Held with the Company</b>	<b>Principal Occupation for the Past Five Years</b>	<b>Securities Beneficially Owned Directly or Indirectly (at the date of this Prospectus)<sup>(1)</sup></b>
<b>Robert Delamar</b> <sup>(4)</sup> Age: 43 Vancouver, BC	CEO and Director	<ul style="list-style-type: none"> <li>• CEO and Director of the Company since July 24, 2019</li> <li>• Civil Litigator</li> <li>• COO and General Counsel of Pixhub Media Inc. From September 2017 until March 2018</li> <li>• Senior Advisor and Board Member of Pacific Future Energy Corporation from April 2016 to July 2017</li> <li>• Co-CEO and Board Member of BitTorrent Inc. from April 2016 to September 2016</li> <li>• CEO and Board Member of Pacific Future Energy Corporation from May 2014 to March 2016</li> <li>• Chief Commercial Officer of UUX, In. from October 2013 to May 2014</li> </ul>	1,500,000 stock options
<b>Michael Malana</b> <sup>(2)(4)</sup> Age: 54 Richmond, BC	CFO and Director	<ul style="list-style-type: none"> <li>• CFO and Director of the Company since February 8, 2019</li> <li>• Consultant</li> <li>• Self-employed</li> </ul>	5,000 Common Shares
<b>Kulwant Malhi</b> <sup>(4)(5)</sup> Age: 51 Delta, BC	Chairman and Director	<ul style="list-style-type: none"> <li>• Chairman of the Company since July 24, 2019 and Director of the Company since March 13, 2018</li> <li>• Founder and Chairman of Bullrun Capital Inc., Vancouver BC (Present)</li> <li>• Chairman at Micron Waste Technologies Inc. (CSE) (Present)</li> <li>• President of Algernon Pharmaceuticals Inc. (CSE) (2014 – 2015)</li> <li>• President of Cannabix Technologies Inc. (CSE) (2014 – 2015)</li> </ul>	10,037,600 Common Shares <sup>(3)</sup>

<b>Name and Municipality of Residence</b>	<b>Position to be Held with the Company</b>	<b>Principal Occupation for the Past Five Years</b>	<b>Securities Beneficially Owned Directly or Indirectly (at the date of this Prospectus)<sup>(1)</sup></b>
<b>Mark Williams</b> Age: 48 Winnipeg, MB	CSO and Director	<ul style="list-style-type: none"> <li>• CSO of the Company since July 24, 2019 and Director of the Company since February 8, 2019</li> <li>• Chief Science Officer of Algernon Pharmaceuticals Inc. (Present)</li> <li>• Vice President, Research of Cerebra Health (2016 – 2018)</li> <li>• Vice President, Research of Diamedica (2007 – 2016)</li> </ul>	0
<b>Naresh Singhal</b> Age: 51 Fremont, California	CTO	<ul style="list-style-type: none"> <li>• CTO of the Company since July 24, 2019</li> <li>• Consultant of Evergent Technologies, Inc. from May 2018 to March 2019</li> <li>• Advisor of Trunomi Ltd. from July 2017 to August 2019</li> <li>• CTO of Trunomi Ltd. from February 2014 to July 2017</li> </ul>	1,500,000 stock options
<b>Christopher Moreau</b> <sup>(2)</sup> Age: 54 Winnipeg, MB	Director	<ul style="list-style-type: none"> <li>• Director of the Company since February 8, 2019</li> <li>• CEO of Algernon Pharmaceuticals Inc. (CSE) (Present)</li> <li>• Self-employed business consultant (2016 – 2018)</li> <li>• CEO of Miraculins Inc. (CSE) (2007 – 2016)</li> <li>• Director of Miraculins Inc. (CSE) (2011 – 2016)</li> </ul>	0
<b>Michael Charles Kelly</b> <sup>(2)</sup> Age: 54 Langley, BC	Director	<ul style="list-style-type: none"> <li>• Director of the Company since March 13, 2018</li> <li>• Constable with the Royal Canadian Mounted Police (2001 – 2015)</li> </ul>	250,000 Common Shares
<b>Total:</b>			<b>10,292,600 Common Shares; 3,000,000 stock options</b>

**Notes:**

- (1) The information as to securities beneficially owned, controlled or directed has been furnished by the directors and officers as of the date of this prospectus. These securities owned by spouses of such principals who are treated as Principals themselves, are subject to the Principal escrow regime under NP 46-201. See “Escrowed Securities”.
- (2) Denotes a member of the Audit Committee of the Company.



- (3) Mr. Malhi indirectly owns 10,037,600 Common Shares through Bullrun Capital Inc.
- (4) Denotes a member of the Corporate Governance Committee of the Company.
- (5) In addition, Mr. Malhi is the CEO, Chairman and a Director of GrowMax Resources Corp., a publicly listed company on the TSX Venture Exchange. GrowMax Resources Corp. holds 3,000,000 Common Shares and 1,500,000 common share purchase warrants of the Company.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the officers expires at the discretion of the Company's directors.

Directors and officers of the Company as a group, beneficially own, directly and indirectly, or exercise control or direction over, 10,292,600 Common Shares and 3,000,000 stock options, representing 25.13%<sup>(1)</sup> of the issued and outstanding Common Shares of the Company as of the date of this prospectus on a non-diluted basis and 28.02%<sup>(2)</sup> of the issued and outstanding Common Shares of the Company on a fully-diluted basis.

Assuming completion of the Minimum Offering, directors and officer of the Company as a group will beneficially own, directly and indirectly, or exercise control or direction over, 10,292,600 Common Shares and 3,000,000 stock options, representing 20.20%<sup>(3)</sup> of the issued and outstanding Common Shares of the Company as of the date of this prospectus on a non-diluted basis and 21.02%<sup>(4)</sup> of the issued and outstanding Common Shares of the Company on a fully-diluted basis.

Assuming completion of the Maximum Offering, directors and officer of the Company as a group will beneficially own, directly and indirectly, or exercise control or direction over, 10,292,600 Common Shares and 3,000,000 stock options, representing 16.89%<sup>(5)</sup> of the issued and outstanding Common Shares of the Company as of the date of this prospectus on a non-diluted basis and 16.82%<sup>(6)</sup> of the issued and outstanding Common Shares of the Company on a fully-diluted basis.

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**Notes:**

- (1) Based on **40,955,210** Common Shares issued and outstanding as at the date of this prospectus.
- (2) Based on **47,444,012** securities of the Company issued and outstanding as at the date of this prospectus. See "Consolidated Capitalization".
- (3) Based on **50,955,210** Common Shares issued and outstanding after giving effect to the Minimum Offering. See "Consolidated Capitalization".
- (4) Based on **63,244,012** securities of the Company issued and outstanding after giving effect to the Minimum Offering. See "Consolidated Capitalization".
- (5) Based on **60,955,210** Common Shares issued and outstanding after giving effect to the Maximum Offering. See "Consolidated Capitalization".
- (6) Based on **79,044,012** securities of the Company issued and outstanding after giving effect to the Maximum Offering. See "Consolidated Capitalization".

The following is a brief description of the background of the above individuals, none of whom have entered into non-competition agreements or non-disclosure agreements with the Company.

***Robert Delamar – Chief Executive Officer and a Director***

Mr. Delamar is a lawyer and high technology CEO with almost two decades of experience working in the start-up world, both internationally, and in Silicon Valley. Following articles at Blake, Cassels & Graydon LLP in Vancouver, Mr. Delamar worked in an executive business development role for an Israeli satellite communications start-up that was sold to Gilat Satellite Networks Ltd. in 2010. After founding and leading an international digital media company based in Silicon Valley, where he served as CEO between 2011 and 2014, Mr. Delamar returned home to Vancouver to co-found and serve as the first CEO for Pacific Future Energy Corporation, a Near-Zero Net Carbon cleantech refinery project.

In 2015, Mr. Delamar and associates acquired a controlling stake in BitTorrent, Inc., based in San Francisco, where he served as co-CEO of the company before divesting his stake in 2016. Since 2016, Mr. Delamar has been based in Vancouver where, in addition to legal practice, he has consulted for a number of local high tech companies.

Mr. Delamar has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Delamar will devote approximately 60% of this time to the business of the Company.

***Michael Malana – Chief Financial Officer and a Director***

Mr. Malana has over 15 years of experience in the administration, accounting and corporate reporting for public companies having served as CFO and Corporate Secretary with several publicly listed companies. Mr. Malana is a Chartered Professional Accountant and holds a Bachelor of Commerce degree in Accounting from Concordia University.

Mr. Malana has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Malana will devote approximately 20% of his time to the business of the Company

***Kulwant Malhi – Chairman and a Director***

Kulwant Malhi is a Canadian entrepreneur, businessman and retired member of the Royal Canadian Mounted Police. He is the Founder, Director and Chairman of Bullrun Capital Inc. and has been involved in raising capital for various projects. Mr. Malhi specializes in working with academia and advances in technology and funded academic research that has potential for commercialization through private and public companies. He has experience in the biomedical, agriculture, and technology sectors. Recently, Mr. Malhi has been the founder of Canadian publicly traded companies including Cannabix Technologies Inc., Patriot One Technologies Inc. and Micron Waste Technologies Inc. Mr. Malhi, through his private holding company Bullrun Capital Inc. also holds positions in several private early stage companies that are expected to obtain public listings in 2019.

As of the date of this Prospectus, Mr. Malhi indirectly owns 10,037,600 Common Shares through Bullrun Capital Inc.

Mr. Malhi has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Malhi will devote approximately 30% of this time to the business of the Company.

***Mark Williams – Chief Science Officer and a Director***

Mark Williams holds both Ph.D. and MBA designations, and has a successful track record of commercializing early-stage biomedical innovations throughout a multi-decade career. Career highlights include, repositioning three different drugs from preclinical studies directly into Phase II trials, inventing DM199 (Recombinant Protein), which is in Phase II trials for stroke and kidney disease and securing analyst coverage for Diamedica (DMA.V).

Mr. Williams has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Williams will devote approximately 10% of his time to the business of the Company.

***Naresh Singhal – Chief Technology Officer***

Mr. Singhal has more than 30 years of experience in the technology industry in a variety of domains and industry verticals. He completed a B.S. (Honors) in Electronics and Communications Engineering from National Institute of Technology, India, and professional development coursework from Stanford University. He holds one technology patent, with several others pending.

Mr. Singhal started his career as a Scientist with India's Defense Research & Development Organization (“DRDO”), where he led some prestigious defense projects. After the DRDO, Mr. Singhal moved to the United States and worked at a number of different startups. At Entrisphere Inc. (“Entrisphere”), he built Network Management

Systems for next generation optical networking products. Entrisphere was acquired by Ericsson and helped Ericsson get a foothold in the wireline business, selling these products to the major Regional Bell operating companies AT&T, Verizon and BellSouth, in response to a multi-billion dollar request-for-proposal. Subsequently Mr. Singhal led engineering at streaming media startup Sezmi, which went through several acquisitions and mergers before becoming UUX. As VP of Engineering at UUX, he helped create the world's first truly converged internet TV as-a-service platform, that combined linear (live) television and Over-the-Top television in an intuitive multi-device user experience.

Most recently, Mr. Singhal was Chief Technology Officer at Trunomi, a fintech startup building technology for privacy and data rights management, in response to regulations like the EU General Data Protection Regulation, amid increasing concerns about how corporations misuse personally identifiable information.

Mr. Singhal has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Singhal will devote approximately 60% of this time to the business of the Company.

***Christopher Moreau – Director***

Christopher Moreau has over 25 years of experience in progressively senior executive leadership positions including nine years, as President & CEO and Board member of a TSXV listed life sciences company. He is currently CEO of both a privately held drug development company as well as the CEO of a publicly traded, CSE listed, medical device company. Mr. Moreau has a deep, abiding interest in healthcare research and the advancement of medical technology and is highly skilled and experienced in working with and accessing the capital markets.

Mr. Moreau has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Moreau will devote approximately 10% of his time to the business of the Company.

***Michael Charles Kelly – Director***

Michael Charles Kelly is a retired Royal Canadian Mounted Police Member and respected businessman based in Kelowna, British Columbia.

Mr. Kelly has not entered into a non-competition or non-disclosure agreement with the Company. It is expected that Mr. Kelly will devote approximately 10% of his time to the business of the Company.

The Company's directors and officers are not required and do not currently intend to devote all of their time to the affairs of the Company. The amount of time devoted to the affairs of the Company will be dependent upon the ability of management to identify business opportunities. For any consulting or field work carried out by the directors, they will be compensated at a rate to be determined by the directors of the Company at the appropriate time.

All of the members of the Company's management are independent contractors and not employees of the Company.

**Corporate Cease Trade Orders**

Other than as disclosed herein, no existing or proposed director, officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Issuer is, or within the ten years prior to the date hereof has been, a director or CEO or CFO of any corporation that, while that person was acting in the capacity of director or CEO or CFO of that corporation, was the subject of a cease trade order or similar order or an order that denied the corporation access to any exemption under securities legislation for a period of more than 30 consecutive days.

### **Penalties or Sanctions**

No existing or proposed director or officer of the Company, nor any shareholder holding sufficient securities of the Company to materially affect control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision

### **Personal Bankruptcies**

No director or officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person has, within the 10 years before the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

### **Conflicts of Interest**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. Other than disclosed herein, there are no existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

## **COMPENSATION OF EXECUTIVE OFFICERS**

### **Executive Compensation**

“**Named Executive Officer**” or “**NEO**” means each Chief Executive Officer, each Chief Financial Officer and each of the three most highly-compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000, and any additional individuals for whom disclosure would have been provided, except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end. For the fiscal year ended June 30, 2019, the Company’s Named Executive Officers were Kulwant Malhi, former CEO, Christopher Moreau, former President, and Michael Malana, CFO.

### **Compensation Discussion and Analysis**

The Company relies solely on board discussion to determine compensation paid to executives and directors, without any formal objectives, criteria or analysis. As the Company is still in the developmental stage, it is anticipated that the Company’s compensation program will consist primarily of stock options.

### **Summary Compensation Table**

The following table sets forth a summary of all compensation paid during the financial year ended June 30, 2019 to the Named Executive Officers:

<i>NEO Name and Principal Position</i>	<i>Salary (\$)</i>	<i>Share-Based Awards</i>	<i>Option-Based Awards</i>	<i>Non-Equity Incentive Plan Compensation</i>		<i>Pension Value (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total Compensation (\$)</i>
				<i>Annual Incentive Plans</i>	<i>Long-term Incentive Plans</i>			
Christopher Moreau, former President <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	48,000 <sup>(1)</sup>	48,000
Michael Malana <sup>(2);(3)</sup> , CFO	Nil	Nil	Nil	Nil	Nil	Nil	48,000 <sup>(4)</sup>	48,000
Kulwant Malhi <sup>(2);(3)</sup> , Former CEO <sup>(6)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	60,000	60,000

**Notes:**

- (1) All other compensation includes management fees paid or accrued to 7360232 Manitoba Ltd., a private company controlled by Mr. Moreau.
- (2) Effective July 1, 2019, the Company will pay management fees as follows: 1) \$15,000/month or \$180,000/year to Bullrun Capital Inc., a private company controlled by Mr. Malhi; and 2) \$6,000/month or \$72,000/year to Michael Malana, CFO.
- (3) Mr. Moreau and Mr. Malana were appointed as Directors of the Company on February 8, 2019. Mr. Malhi was appointed as a Director of the Company on March 13, 2018. No compensation was paid to Mr. Moreau, Mr. Malana or Mr. Malhi in their capacities as Directors.
- (4) All other compensation includes management fees paid or accrued to Mr. Malana in his capacity as CFO.
- (5) Mr. Moreau resigned as President of the Company on July 24, 2019, but remains a Director of the Company.
- (6) Mr. Malhi resigned as CEO of the Company on July 24, 2019, but remains Chairman and a Director of the Company.

**Incentive Plan Awards During the Most Recently Completed Financial Year**

The following table sets forth information concerning all outstanding share-based awards and option-based awards outstanding by the Company to each of the NEO's at the end of the Company's most recently completed financial year ended June 30, 2019.

<i>Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options</i>	<i>Number of Shares or Units of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value of Share-Based Awards That Have Not Vested (\$)</i>
Christopher	Nil	N/A	N/A	Nil	N/A	N/A

Moreau, former President						
Michael Malana, CFO	Nil	N/A	N/A	Nil	N/A	N/A
Kulwant Malhi, former CEO	Nil	N/A	N/A	Nil	N/A	N/A

**Aggregated Options/SAR Exercises in Last Financial Year and Financial Year-End Option/SAR Values**

As of the date of this Prospectus, the Named Executive Officers have not exercised any options.

**Pension Plan Benefits**

The Company does not have a pension plan or provide any benefits following or in connection with retirement.

**Management Agreements, Consulting Contracts, Termination and Change of Control Payments**

The Company does not have any contracts, agreements, plans or arrangements that provide for payment to a NEO at, following or in connection with any termination, resignation, retirement, a change in control of the Company or a change in a NEO’s responsibilities.

***Robert Delamar, CEO***

The Company entered into a consulting agreement with Robert Delamar, effective July 1, 2019 (the “**Delamar Agreement**”). Under the terms of the Delamar Agreement, Mr. Delamar agreed to provide senior consulting services and act as Chief Executive Officer of the Company at a base rate of \$15,000 per month plus GST. The Company agreed to pay Mr. Delamar a bonus of \$50,000 if the Company achieves a market capitalization of \$50,000,000 and a bonus of \$100,000 if the Company achieves a market capitalization of \$100,000,000. The Company may terminate the Delamar Agreement by providing Mr. Delamar with 30 days written notice to that effect.

***Michael Malana, CFO***

The Company entered into a consulting agreement with Michael Malana, effective April 1, 2018 and amended July 1, 2019 (the “**Malana Agreement**”). Under the terms of the Malana Agreement, Mr. Malana agreed to provide senior consulting services and act as Chief Financial Officer of the Company at a base rate of \$6,000 per month plus GST for an initial period of three months after which the services of Mr. Malana may be terminated by the Company with 30 days written notice to that effect.

***Mark Williams, CSO***

The Company entered into a consulting agreement with Mark Williams, effective July 1, 2018 and amended July 1, 2019 (the “**Williams Agreement**”). Under the terms of the Williams Agreement, Mr. Williams agreed to provide senior consulting services and act as Chief Science Officer of the Company at a base rate of \$1,000 per month plus GST for an initial period of three months after which the services of Mr. Williams may be terminated by the Company with 30 days written notice to that effect.

***Naresh Singhal, CTO***

The Company entered into a consulting agreement with Naresh Singhal, effective July 12, 2019 (the “**Singhal Agreement**”). Under the terms of the Singhal Agreement, Mr. Singhal agreed to provide senior consulting services and act as Chief Technology Officer of the Company at a base rate of \$20,834 per month plus GST. The Company agreed to pay Mr. Singhal a bonus of \$50,000 if the Company achieves a market capitalization of \$50,000,000 and a bonus of \$100,000 if the Company achieves a market capitalization of \$100,000,000. The Company may terminate the Singhal Agreement by providing Mr. Singhal with 30 days written notice to that effect.

***Kulwant Malhi, Chairman***

The Company entered into a consulting agreement with Bullrun Capital Inc., a private company controlled by Mr. Malhi, effective April 1, 2018 and amended July 1, 2019 (the “**Bullrun Agreement**”). Under the terms of the Bullrun Agreement, Bullrun Capital agreed to provide senior consulting services, including strategic advisory, corporate, financing, market-development and capital markets services to the Company at a base rate of \$15,000 per month plus GST. The Company agreed to pay Bullrun Capital a bonus of \$50,000 if the Company achieves a market capitalization of \$50,000,000 and a bonus of \$100,000 if the Company achieves a market capitalization of \$100,000,000. The Company may terminate the Bullrun Agreement by providing Bullrun Capital with 30 days written notice to that effect.

**Compensation of Directors**

Other than as disclosed, the only arrangements we have, standard or otherwise, pursuant to which we compensate directors for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, are by the issuance of incentive stock options.

The following table sets forth for each of the Company’s directors, other than directors who are also NEO’s, all amounts of compensation for the Company’s most recently completed financial year ended June 30, 2019.

<b><i>Name</i></b>	<b><i>Fees Earned (\$)</i></b>	<b><i>Share-Based Awards (\$)</i></b>	<b><i>Option-Based Awards (\$)</i></b>	<b><i>Non-Equity Incentive Plan Compensation (\$)</i></b>	<b><i>Pension Value (\$)</i></b>	<b><i>All Other Compensation (\$)</i></b>	<b><i>Total (\$)</i></b>
Kulwant Malhi	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alfred Wong <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Charles Kelly	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Justin Sangha <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Sadhra <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Mr. Wong resigned as a Director of the Company on February 8, 2019.
- (2) Mr. Sangha resigned as a Director of the Company on February 8, 2019.

(3) Mr. Sadhra resigned as a Director of the Company on February 8, 2019.

The following table sets forth for each of the Company's directors, other than directors who are also NEO's, all option-based awards and share-based awards outstanding at the end of the Company's most recently completed financial year ended June 30, 2019.

<b>Name</b>	<b>Option-Based Awards</b>				<b>Share-Based Awards</b>	
	<b>Number of Securities Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-The-Money Options</b>	<b>Number of Shares or Units of Shares That Have Not Vested (#)</b>	<b>Market or Payout Value of Share-Based Awards That Have Not Vested (\$)</b>
Kulwant Malhi	Nil	N/A	N/A	Nil	N/A	N/A
Alfred Wong <sup>(1)</sup>	Nil	N/A	N/A	Nil	N/A	N/A
Michael Charles Kelly	Nil	N/A	N/A	Nil	N/A	N/A
Justin Sangha <sup>(2)</sup>	Nil	N/A	N/A	Nil	N/A	N/A
Michael Sadhra <sup>(3)</sup>	Nil	N/A	N/A	Nil	N/A	N/A

**Notes:**

- (1) Mr. Wong resigned as a Director of the Company on February 8, 2019.
- (2) Mr. Sangha resigned as a Director of the Company on February 8, 2019.
- (3) Mr. Sadhra resigned as a Director of the Company on February 8, 2019.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date of this prospectus no director or executive officer of the Company or any associate of any such individual is indebted to the Company.

**AUDIT COMMITTEES AND CORPORATE GOVERNANCE**

**Audit Committee Charter**

The Audit Committee's role is to assist the Board in fulfilling its financial oversight responsibilities. The Audit Committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control, and the audit process. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each Audit Committee member must obtain an understanding of the principal responsibilities of Audit Committee membership as well and the Company's business, operations, and risks.

On August 14, 2019, the Audit Committee adopted a charter delineating its responsibilities substantially in the following terms:



- (a) shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures, by: 1) recommending to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company; 2) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach; 3) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors; 4) review and recommend to the Board the compensation to be paid to the external auditors; and 5) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors’ assertion of their independence in accordance with professional standards;
- (b) shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company, by: 1) evaluating the adequacy and effectiveness of management’s system of internal controls over the accounting and financial reporting system within the Company; and 2) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls;
- (c) shall review the financial statements and financial information prior to its release to the public, by: 1) reviewing significant accounting and financial reporting issues, especially complex, unusual and related party transactions; 2) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate; 3) reviewing the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements; 4) meeting with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; 5) reviewing management’s discussion & analysis respecting the annual reporting period prior to its release to the public; 6) reviewing and approving the interim financial statements prior to their release to the public; 7) reviewing management’s discussion & analysis respecting the interim reporting period prior to its release to the public; and 8) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public;
- (d) shall establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters; establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters; ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis; review the policies and procedures in effect for considering officers’ expenses and perquisites; perform other oversight functions as requested by the Board; and review and update this charter and receive approval of changes to this charter from the Board; and
- (e) shall regularly update the Board about Audit Committee activities and make appropriate recommendations.

The charter of the Audit Committee is attached to this Prospectus as Schedule C.

**Composition of the Audit Committee**

At the present time, the Company’s Audit Committee is composed of the following members:

Member	Independent/Not Independent <sup>(1)</sup>	Financially Literate/ Not Financially Literate <sup>(2)</sup>
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<b>Member</b>	<b>Independent/Not Independent <sup>(1)</sup></b>	<b>Financially Literate/ Not Financially Literate <sup>(2)</sup></b>
Michael Malana	Not Independent	Financially Literate
Chris Moreau	Not Independent	Financially Literate
Michael Charles Kelly	Independent	Financially Literate

Notes:

<sup>(1)</sup> A member of an audit committee is independent if the member meets the meaning of that term as defined in section 1.4 of National Instrument 52-110 Audit Committees (“**NI 52-110**”).

<sup>(2)</sup> As defined by NI 52-110 – Audit Committee

The Company is relying on the exemptions provided for “venture issuers” in section 6.1 of NI 52-110 with respect to Part 3 – *Composition of the Audit Committee* and Part 5 – *Reporting Obligations*. In accordance with section 6.1.1(3) of NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the members of the Audit Committee are not executive officers, employees or control persons of the Company.

All members of the Audit Committee are financially literate as required by section 1.6 of NI 52-110.

Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financing statements and will seek clarification from the Company’s auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in preparing, auditing analyzing or evaluating financial statements similar to those of the Company.

See “Directors and Officers” for the biographies of the audit committee members.

**Audit Committee Oversight**

The Audit Committee was formed by a resolution of the Board to be effective August 14, 2019. At no time since the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

**Reliance on Certain Exemptions**

The Company is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form disclosure of audit committee procedures set out in Form 52-110F2.

**Reliance on Certain Exemptions**

The Company has not relied on any exemptions under section 2.4 *De Minimis Non-Audit Services* of NI 52-110 or an exemption granted under Part 8 (Exemptions) of NI 52-110, during the financial year ended June 30, 2019.

**Pre-Approval Policies and Procedures**

The Company has adopted specific policies and procedures for the engagement of non-audit services in its Audit Committee Charter. Pursuant to section 4.4 of the Audit Committee Charter, all non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the Audit Committee. The Audit Committee may delegate to one or more independent members of the Audit Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Audit Committee at its next scheduled meeting.

The Audit Committee may satisfy the requirement for the pre-approval of non-audit services if: 1) the aggregate amount of all non-audit services that were non pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company to the external auditor during the fiscal year in which the services are provided; or 2) the services are brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

**External Auditor Service Fees (By Category)**

The following table sets forth the “audit fees,” “audit-related fees,” “tax fees,” and “other fees” billed in for the year ended June 30, 2019, the year ended June 30, 2018 and for the period from incorporation on January 27, 2017 to June 30, 2017.

	<b>Audit Fees (\$)</b>	<b>Audit-Related Fees (\$)</b>	<b>Tax Fees (\$)</b>	<b>Other Fees (\$)</b>
For the Period From Incorporation on January 27, 2017 to June 30, 2017	\$nil	\$nil	\$nil	\$nil
For the Year ended June 30, 2018	\$nil	\$nil	\$nil	\$nil
For the Year Ended June 30, 2019	\$7,500	\$nil	\$nil	\$nil

**Exemption**

The Company is not relying upon the exemption set out in section 6.1 *Venture Issuers* of NI 52-110 that provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

**Board of Directors**

As of the date of the prospectus, one (1) member of the Audit Committee, Michael Charles Kelly, is an independent director of the Board. The directors that are not independent are Michael Malana and Christopher Moreau. The Board intends to review the performance of management and consultants on a regular basis.

**Directorships**

The following directors of the Company currently hold directorships in other reporting issuers as set out below:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>
Kulwant Malhi	Cannabix Technologies Inc. (CSE) Micron Waste Technologies Inc. (CSE) Growmax Resources Corp. (TSXV)
Michael Malana	Karam Minerals Inc. (CSE) Growmax Resources Corp. (TSXV)
Christopher Moreau	Algernon Pharmaceuticals Inc. (CSE)

### **Orientation and Continuing Education**

If any new directors are appointed to the Board, then the existing directors will provide a brief orientation consisting of a telephone conference and a review of material transactions effected to-date by the Company, as well as the general nature and proceedings of the Company's Board.

Given the industry experience of the existing Board, the Company does not contemplate providing continuing education for directors at this time.

### **Ethical Business Conduct**

The Company has not adopted a policies or codes of business conduct and ethics at this time. Given the experience of the Board, and their prior dealings, the Company, at this point in time, is not taking any additional steps to encourage and promote a culture of ethical business conduct.

### **Nomination of Directors**

Pursuant to the Corporate Governance Committee Charter adopted by the Company on August 14, 2019, the Corporate Governance Committee, comprised of Robert Delamar, Michael Malana and Kulwant Malhi, in fulfilling its oversight responsibilities for the nominations to the Board, shall: 1) establish criteria for selecting new directors which shall reflect, among other facts, a candidate's integrity and business ethics, strength of character, judgment, experience, and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current board members and principles of diversity; 2) consider and recruit candidates to fill new positions on the Board; 3) review any candidate recommended by the shareholders of the Company; 4) be responsible for conducting appropriate inquiries to establish a candidate's compliance with the independent and other qualification requirements established by the Corporate Governance Committee; 5) assess the contributions of current directors in connection with the annual recommendation of a slate of nominees and at that time review the criteria for Board candidates in the context of the evaluation process and other perceived needs of the Board; and 6) recommend the director nominees for election by the shareholders.

### **Compensation**

The Company does not have a compensation committee or a formal compensation policy. The Company relies solely on the directors to determine the compensation of the Named Executive Officers. In determining compensation, the directors consider industry standards and the Company's financial situation, but the Company does not have any formal objectives or criteria. The performance of each executive officer is informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole seeks to accomplish the following goals:

- to recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;
- to motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- to align the interests of executive officers with the long-term interests of shareholders through participation in the Option Plan.

When considering the appropriate executive compensation to be paid to our officers, the Board have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of

management and the Company's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

### **Other Board Committees**

At this time, the Board does not have any standing committees other than the Audit Committee and Corporate Governance Committee.

### **Assessments**

Pursuant to the Corporate Governance Committee Charter adopted by the Company on August 14, 2019, in discharging its oversight responsibilities for the performance review of the Board, committees, and directors, the Corporate Governance Committee shall: 1) evaluate the performance of the Board on an annual basis; 2) solicit comments from all directors and report annually to the Board on its assessment of the Board's performance; and 3) evaluate the performance of individual directors and committees of the Board on a periodic basis.

## **PLAN OF DISTRIBUTION**

This Prospectus qualifies the distribution of the Units issued to purchasers upon completion of the Offering.

Pursuant to the Agency Agreement the Company has appointed the Agent to act as its agent to conduct the Offering in the Offering Jurisdictions, on a commercially reasonable efforts basis of a Minimum Offering of 10,000,000 Units at the Offering Price per Unit for gross proceeds of \$3,500,000 and a Maximum Offering of 20,000,000 Units at the Offering Price per Unit for gross proceeds of up to \$7,000,000. The Agent has agreed to assist with the Offering on an agency basis but is not obligated to purchase any of the Units for its own accounts.

Subscriptions will be received for the Units offered hereby, subject to rejection or acceptance by the Company in whole or in part, and the Agent reserves the right to close the subscription books at any time provided the Agent has received subscriptions in aggregate equal to the Offering. Upon rejection of a subscription, or in the event that the Offering does not complete within the term of the Agency Agreement or the time required by the Securities Commissions, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction. In accordance with regulatory requirements, subscription funds will be held by a depository that is a registrant, bank or trust company until the closing of the Offering.

If subscriptions representing the Offering are not received within 90 days of the issuance of a receipt for the (final) Prospectus, or if a receipt has been issued for an amendment to the (final) Prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for the (final) Prospectus, the Offering will cease. The Agent, pending closing of the Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Offering is not completed, the subscription proceeds received by the Agent in connection with the Offering will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent.

The obligations of the Agent under the Agency Agreement may be terminated at the Agent's discretion upon the occurrence of certain stated events. The Agent is not obligated to purchase any of the Units under the Offering.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Unit Shares and Warrant Shares comprising the Units sold under the Offering will be issued in electronic book entry form through CDS or its nominee. Consequently, purchasers of Units will receive a customer confirmation from the registered dealer that is a CDS participant from or through which the Unit Shares or Warrant Shares were purchased and no certificate evidencing the Units will be issued. Registration will be made through the depository services of CDS. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units were purchased as to the number of Units subscribed for. See "Plan of Distribution".

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Agent in accordance with the terms of the Agency Agreement.

The Offering Price was determined by negotiation between the Company and the Agent and bears no relationship to earnings, book value or other valuation criteria.

The Company's directors, officers and other insiders may purchase Units pursuant to the Offering.

The CSE has conditionally approved the listing of the Common Shares, the Unit Shares and the Warrant Shares. The Common Shares are anticipated to trade under the symbol "**WPN**". The listing is subject to the Company fulfilling all of the listing conditions of the CSE. See "Plan of Distribution".

### **Agent's Compensation**

The Company agreed to pay the Agent a commission equal to 8% of the gross proceeds of the Offering (\$280,000 in the event of the Minimum Offering and \$560,000 in the event of the Maximum Offering), plus a corporate finance fee of \$25,000 plus GST of \$1,250, payable in cash, on the Closing Date.

In addition, the Agent is entitled to receive, upon successful completion of the Offering, as part of its remuneration, Agent's Options entitling the Agent to purchase that number of Agent's Option Shares that is equal to 8% of the number of Common Shares sold pursuant to this Offering (up to 1,600,000 Agent's Options). The Agent's Options will be exercisable to acquire Agent's Option Shares at a price of \$0.50 per Agent's Option Share for a period of twenty-four (24) months following the date on which the Common Shares of the Company are listed on the Exchange. This prospectus qualifies the distribution of the Agent's Options.

### **Listing Application**

The Company will apply to list the Shares distributed under this prospectus on the Exchange. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

As at the date of the prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America.

## **RISK FACTORS**

An investment in the Units offered hereunder should be considered highly speculative due to the nature of the Company's business and the present stage of development. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company's securities. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

### **Risks Relating to the Company's Business**

#### ***Limited Operating History***

We have a very limited history of operations and are considered a start-up company. As such, we are subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that we will be successful in achieving a return on shareholders' investment and the likelihood of our success must be considered in light of our early stage of operations.

***The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.***

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company has experienced some changes in its operating plans and certain delays in its plans. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

***The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.***

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. Our efforts to grow our business may be costlier than we expect, and we may not be able to increase our revenue enough to offset our higher operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this prospectus, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, the market price of our Common Shares may significantly decrease.

***Additional Financing***

The Company has no source of operating cash flow to fund all of its operational needs and will require additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products, resulting in possible dilution. Any such financing will dilute the ownership interest of the Company's shareholders at the time of the financing, and may dilute the value of their investment.

***General Venture Company Risks***

The Units must be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the Common Shares should only be considered by those persons who can afford a total loss of investment, and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in Common Shares.

***Uncertainty of Revenue Growth***

There can be no assurance that the Company can generate substantial revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company has achieved or may achieve may not be indicative of future operating results. In addition, the Company may increase further its operating expenses in order to fund higher levels of research and development, increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially adversely affected.

***The Company may not be able to develop its products, which could prevent it from ever becoming profitable.***

If the Company cannot successfully develop, manufacture and distribute its products, or if the Company experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Company may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Company's ability to effectively enter the market. A failure by the Company to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Company's commercialization plans and the Company's business, prospects, results of operations and financial condition.

***There is no assurance that the Company will turn a profit or generate immediate revenues.***

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

***Negative Operating Cash Flow***

Although we expect to become profitable, there is no guarantee that will happen, and we may never become profitable. We currently have a negative operating cash flow and may continue to have that for the foreseeable future. To date, we have not generated any revenues and a large portion of our expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, we expect our net losses from operations to improve. Our ability to generate additional revenues and potential to become profitable will depend largely on our ability, to manufacture and market our products. There can be no assurance that any such events will occur or that we will ever become profitable. Even if we do achieve profitability, we cannot predict the level of such profitability. If we sustain losses over an extended period of time, we may be unable to continue our business.

***Uncertainty of Use of Proceeds***

Although the Company has set out its intended use of proceeds from this Offering, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

***Dependence on Management and Key Personnel***

The Company is dependent on certain members of its management. The loss of the services of one or more of them could adversely affect the Company. The Company's ability to maintain its competitive position is dependent upon its ability to attract and retain highly qualified managerial, specialized technical, manufacturing, sales and marketing personnel. There can be no assurance that the Company will be able to continue to recruit and retain such personnel. The inability of the Company to recruit and retain such personnel would adversely affect the Company's operations and product development.

***Dependence on Key Suppliers***

The Company may be able to purchase certain key components of its products from a limited number of suppliers. Failure of a supplier to provide sufficient quantities on favorable terms or on a timely basis could result in possible lost sales.



### ***Product Liability***

The Company may be subject to proceedings or claims that may arise in the ordinary conduct of the business, which could include product and service warranty claims, which could be substantial. If its products fail to perform as warranted and it fails to quickly resolve product quality or performance issues in a timely manner, sales may be lost and it may be forced to pay damages. Any failure to meet customer requirements could materially affect its business, results of operations and financial condition. The occurrence of product defects and the inability to correct errors could result in the delay or loss of market acceptance of its products, material warranty expense, diversion of technological and other resources from its product development efforts, and the loss of credibility with customers, manufacturer's representatives, distributors, value added resellers, systems integrators, original equipment manufacturers and end-users, any of which could have a material adverse effect on the Company's business, operating results and financial conditions.

### ***The Company will be reliant on information technology systems and may be subject to damaging cyber-attacks.***

The Company utilizes third parties for certain hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

### ***In certain circumstances, the Company's reputation could be damaged.***

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

### ***Strategic Alliances***

The Company relies upon, and expects to rely upon, strategic alliances with original equipment manufacturers for the manufacturing and distribution of its products. There can be no assurance that such strategic alliances can be achieved or will achieve their goals.

### ***Marketing and Distribution Capabilities***

In order to commercialize its technology, the Company must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market any of its products, the Company must either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its Management and key personnel, and defer its product development and deployment efforts. To the extent that the Company enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Company fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

### ***Rapid Technological Development***

The markets for the Company's products and services are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles. Accordingly, the Company's success is dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products or that any new products and enhanced and improved existing products will achieve market acceptance. Further, there can be no assurance that competitors will not market products that have perceived advantages over the Company's products or which render the products currently sold by the Company obsolete or less marketable.

The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources than currently anticipated in research and development and product enhancement efforts, and result in increased operating expenses.

### ***Competition***

The Company's industry is highly competitive and composed of many domestic and foreign companies. The Company has experienced and expects to continue to experience, substantial competition from numerous competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

### ***Regulation***

The Company is subject to numerous federal, provincial, state and local environmental, health and safety legislation and measures relating to the manufacture of ammunition. There can be no assurance that the Company will not experience difficulties with its efforts to comply with applicable regulations as they change in the future or that its continued compliance efforts (or failure to comply with applicable requirements) will not have a material adverse effect on the Company's results of operations, business, prospects and financial condition. The Company's continued compliance with present and changing future laws could restrict the Company's ability to modify or expand its facilities or continue production and could require the Company to acquire costly equipment or to incur other significant expense.

### ***Intellectual Property***

The Company's ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology and manufacturing processes. Although the Company considers certain of its product designs as well as manufacturing processes involving certain of its products to be proprietary, patents or copyrights do not protect all design and manufacturing processes. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology.

To protect the Company's intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

### ***Infringement of Intellectual Property Rights***

While the Company believes that its products and other intellectual property do not infringe upon the proprietary rights of third parties, its commercial success depends, in part, upon the Company not infringing intellectual property rights of others. A number of the Company's competitors and other third parties have been issued or may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those utilized by the Company. Some of these patents may grant very broad protection to the owners of the patents. The Company has not undertaken a review to determine whether any existing third party patents or the issuance of any third party patents would require the Company to alter its technology, obtain licenses or cease certain activities. The Company may become subject to claims by third parties that its technology infringes their intellectual property rights due to the growth of products in its target markets, the overlap in functionality of those products and the prevalence of products. The Company may become subject to these claims either directly or through indemnities against these claims that it provides to end-users, manufacturer's representatives, distributors, value added resellers, system integrators and original equipment manufacturers.

Litigation may be necessary to determine the scope, enforceability and validity of third party proprietary rights or to establish the Company's proprietary rights. Some of its competitors have, or are affiliated with companies having, substantially greater resources than the Company and these competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than the Company. Regardless of their merit, any such claims could be time consuming to evaluate and defend, result in costly litigation, cause product shipment delays or stoppages, divert management's attention and focus away from the business, subject the Company to significant liabilities and equitable remedies, including injunctions, require the Company to enter into costly royalty or licensing agreements and require the Company to modify or stop using infringing technology.

The Company may be prohibited from developing or commercializing certain technologies and products unless it obtains a license from a third party. There can be no assurance that it will be able to obtain any such license on commercially favourable terms or at all. If it does not obtain such a license, it could be required to cease the sale of certain of its products.

### ***System Failures or Delays in the Operation of the Company's Computer and Communications Systems May Harm its Business***

The Company's ability to collect and report accurate data may be interrupted by a number of factors, including inability to access the Web, failure of the Company's network or software systems, computer viruses, security breaches or variability in user volume on customer Websites. A failure of network or data gathering procedures could impede the processing of data, cause the corruption or loss of data or prevent the timely delivery of products.

In the future, the Company may need to expand its network and systems at a more rapid pace than it has in the past. The Company's network or systems may not be capable of meeting the demand for increased capacity, or it may incur additional unanticipated expenses to accommodate these capacity demands. In addition, the Company may lose valuable data, be unable to obtain or provide data on a timely basis or its network may temporarily shut down if it fails to adequately expand or maintain its network capabilities to meet future requirements. Any lapse in the Company's ability to collect or transmit data may decrease the value of its products and prevent it from providing data requested by customers. Any disruption in the Company's network processing or loss of Web user data may damage its reputation and result in the loss of customers, business, and results of operations could be adversely affected.

***Risk of Data Breaches***

The Company's services involve the storage, analysis and transmission of customers' proprietary information, and security breaches could expose the Company to a risk of loss of this information, litigation and possible liability. While the Company has security measures in place, they may be breached as a result of third-party action, including intentional misconduct by computer hackers, employee error, malfeasance or otherwise and result in someone obtaining unauthorized access to the Company's IT data, the Company's customers' data or the Company's data, including the Company's intellectual property and other confidential business information. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information in order to gain access to the Company's customers' data, the Company's data or the Company's IT systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, the Company may be unable to anticipate these techniques or to implement adequate preventative measures. Because the Company does not control the Company's customers or third-party technology providers, or the processing of such data by third-party technology providers, the Company cannot ensure the integrity or security of such transmissions or processing. Malicious third parties may also conduct attacks designed to temporarily deny customers access to the Company's services. Any security breach could result in a loss of confidence in the security of the Company's services, damage the Company's reputation, negatively impact the Company's future sales, disrupt the Company's business and lead to legal liability.

***Interruptions or Delays in Services from the Company's Third-Party Data Center Hosting Facilities or Cloud Computing Platform Providers Could Impair the Delivery of the Company's Services and Harm the Company's Business***

The Company currently serves customers from third-party data center hosting facilities and cloud computing platform providers. Any damage to, or failure of, the Company's systems generally could result in interruptions in the Company's services. The Company has from time to time experienced interruptions in the Company's services and such interruptions may occur in the future. Interruptions in the Company's services may reduce the Company's revenue, cause the Company's to issue credits or pay penalties, cause customers to terminate their subscriptions and adversely affect the Company's attrition rates and the Company's ability to attract new customers, all of which would reduce the Company's revenue.

The Company's business would also be harmed if customers and potential customers believe the Company's services are unreliable. The Company does not control the operation of any of these facilities, and they may be vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. Facilities may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct, as well as local administrative actions, changes to legal or permitting requirements and litigation to stop, limit or delay operation. Despite precautions taken at these facilities, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in the Company's services. Even with disaster recovery and business continuity arrangements, the Company's services could be interrupted. When the Company adds data centers and adds capacity, the Company may move or transfer the Company's data and the Company's customers'

data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of the Company's services, which may damage the Company's business.

***The Company Relies on Third-Party Computer Hardware, Software and Cloud Computing Platforms that Could Cause Errors in, or Failures of, the Company's Services and May be Difficult to Replace***

The Company relies on computer hardware purchased or leased from, software licensed from, and cloud computing platforms provided by, third parties in order to offer the Company's services, including database software and hardware from a variety of vendors. Any errors or defects in third-party hardware, software or cloud computing platforms could result in errors in, or a failure of, the Company's services, which could harm the Company's business. These hardware, software and cloud computing platforms may not continue to be available at reasonable prices, on commercially reasonable terms or at all. Any loss of the right to use any of this hardware, software or cloud computing platforms could significantly increase the Company's expenses and otherwise result in delays in the provisioning of the Company's services until equivalent technology is either developed by the Company, or, if available, is identified, obtained through purchase or license and integrated into the Company's services.

***Uncertainty of Additional Capital***

The Company anticipates expending substantial funds to carry out the development, introduction and manufacture of additional products. The Company will require additional funds for these purposes through one or more public or private equity financings, by taking on debt financing, or from other sources. No assurance can be given that such additional funds will be available on acceptable terms or at all. If such funds are unavailable or are only available at a prohibitive cost, the Company may have to significantly curtail its product development program or seek funds through financing alternatives that may require the Company to sell its rights to certain products or certain marketing territories. Any additional equity financing may result in dilution to existing shareholders.

***Currency Fluctuations***

Fluctuations in the exchange rate between the United States dollar and the Canadian dollar may have a material effect on the Company's results of operations. To date, the Company has not engaged in exchange rate-hedging activities. To the extent that the Company may seek to implement hedging techniques in the future with respect to its foreign currency transactions, there can be no assurance that the Company will be successful in such hedging activities.

***Health and Safety***

Health and safety issues related to its products may arise that could lead to litigation or other action against the Company or to regulation of certain of its product components. The Company may be required to modify its technology and may not be able to do so. It may also be required to pay damages that may reduce its profitability and adversely affect its financial condition. Even if these concerns prove to be baseless, the resulting negative publicity could affect the Company's ability to market certain of its products and, in turn, could harm its business and results from operations.

***Stress in the global financial system may adversely affect the Company's finances and operations in ways that may be hard to predict or to defend against***

Recent events have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, events seemingly unrelated to the Company, or to its industry, may adversely affect its finances or operations in ways that are hard to predict or defend against. For example, credit contraction in financial markets may hurt the Company's ability to access credit when it is needed or rapid changes in foreign exchange rates may adversely affect financial results. Finally, a reduction in credit, combined with reduced economic activity, may adversely affect businesses and industries that collectively constitute a significant portion

of the Company's customer base. As a result, these customers may need to reduce their purchases of the Company's products, or there may be greater difficulty in receiving payment for the products that these customers purchase from the Company. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the business, operating results, and financial condition.

#### ***Insurance and Uninsured Risks***

The Company's business is subject to a number of risks and hazards including industrial accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to equipment, personal injury or death, monetary losses and possible legal liability. Although the Company maintains liability insurance in amounts which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company may elect not to insure against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial position.

#### ***Conflicts of Interest***

Certain directors and officers of the Company are or may become associated with other companies in the same or related industries which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers.

#### ***The Company has not yet developed a working prototype for its products, and there is no guarantee that the Company will be able to develop such working prototype***

The Company's products are currently in the developmental stage and the Company has not yet developed a working prototype for its products. If the Company is unable to complete the development of a working prototype for its products, the amount of revenue that the Company will be able generate will be severely limited.

#### **Risks Relating to the Common Shares**

##### ***Market Price of Common Shares and Volatility***

The Common Shares do not currently trade on any exchange or stock market and the price of these Units was negotiated with the Agent. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of our public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of

the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of lock-up or other transfer restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors.

***No Established Market***

There is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Units purchased under this Prospectus. An active public market for the Common Shares might not develop or be sustained after this Offering. Even if a market develops, there is no assurance that the price of the Units offered under this Prospectus, which has been determined by negotiations between the Company and representatives of the Agent, will reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the Common Share price may decline below the initial public offering price.

***No Market for Warrants***

There is currently no market through which the Warrants may be sold and the Company does not intend to list the Warrants. There can be no assurance that an active or liquid market for the Warrants will ever develop following the Offering, or if developed, that such market will be maintained. If an active public market does not develop or is not maintained, purchasers may not be able to resell the Warrants purchased under this Prospectus.

***Lack of Active Market***

There can be no assurance that an active market for the Common Shares will continue and any increased demand to buy or sell the Common Shares can create volatility in price and volume.

***Dividends***

We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

***Dilution***

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. We intend to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per Common Share.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought

against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

#### **PROMOTERS**

Kulwant Malhi and BullRun Capital are each considered to be a "promoter" for the purposes of National Instrument 41-101 – "General Prospectus Requirements", and information relating to each of Kulwant Malhi's and BullRun Capital's involvement in the incorporation, funding and corporate organization of First Responder is provided throughout this Prospectus. See "General Development of the Business – History", "Principal Shareholders", "Directors and Officers" and "Compensation of Executive Officers".

#### **LEGAL PROCEEDINGS**

The Company is not a party to any material legal proceedings and does not know of any such proceedings that are contemplated.

#### **REGULATORY ACTIONS**

Since incorporation on January 27, 2017 to the date hereof, management of the Company is not currently aware of any:

- (a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;
- (b) any other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and
- (c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

#### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as previously disclosed in this Prospectus, none of the Company's directors, senior officers and principal shareholders or any of their associates or affiliates have a material interest, direct or indirect, in any transactions in which the Company has participated since incorporation, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Company.

In connection with the NIH License Assignment Agreement, Kulwant Malhi, Chairman and a director of the Company, had the following material interests. On February 18, 2019, the Company and BullRun Capital entered into the NIH License Assignment Agreement, pursuant to which BullRun Capital assigned to the Company all rights, titles and interests contemplated in the NIH License Agreement. As an assignment fee for the NIH License Assignment Agreement, the Company issued 10,000,000 Common Shares at a deemed value of \$0.05 per Common Share to BullRun Capital (representing 24.41% of the Company's issued and outstanding Common Shares on a non-diluted basis as at the date of this Prospectus, see "Consolidated Capitalization"), of which 6,000,000 Common Shares were issued to arms-length parties other than BullRun Capital (see "Escrowed Securities"). Kulwant Malhi, the Chairman and a director of the Company, is the sole shareholder of Bullrun Capital. As a result, through the NIH License Assignment Agreement, Mr. Malhi, through BullRun Capital, indirectly received 4,000,000 Common Shares. All consideration payable by BullRun Capital pursuant to the NIH License Agreement was subsequently assigned to the Company, as more particularly described under "General Development of the Business – History". BullRun Capital did not pay any additional consideration pursuant to the NIH License Agreement, as all obligations relating to the NIH License Agreement were subsequently assumed by the Company.



In connection with the Rutgers License Assignment Agreement, Kulwant Malhi, Chairman and a director of the Company, had the following material interests. On June 25, 2019, the Company and BullRun Capital entered into the Rutgers License Assignment Agreement, pursuant to which BullRun Capital assigned to the Company all rights, titles and interests contemplated in the Rutgers License Agreement. As an assignment fee for the Rutgers License Assignment Agreement, the Company issued 10,675,000 Common Shares at a deemed value of \$0.10 per Common Share to BullRun Capital (representing 26.07% of the Company's issued and outstanding Common Shares on a non-diluted basis as at the date of this Prospectus, see "Consolidated Capitalization"), of which 5,675,000 Common Shares were issued to arms-length parties other than BullRun Capital (see "Escrowed Securities"). Kulwant Malhi, the Chairman and a director of the Company, is the sole shareholder of Bullrun Capital. As a result, through the Rutgers License Assignment Agreement, Mr. Malhi, through BullRun Capital, indirectly received 5,000,000 Common Shares. All consideration payable by BullRun Capital pursuant to the Rutgers License Agreement was subsequently assigned to the Company, as more particularly described under "General Development of the Business – History". BullRun Capital did not pay any additional consideration pursuant to the Rutgers License Agreement, as all obligations relating to the Rutgers License Agreement were subsequently assumed by the Company

Pursuant to the NIH License Assignment Agreement and the Rutgers License Assignment Agreement, the Company issued a total of 20,675,000 Common Shares to BullRun Capital as assignment fees (including Common Shares issued to designees of BullRun Capital), representing 50.48% of the Company's issued and outstanding Common Shares on a non-diluted basis as at the date of this Prospectus. See "Consolidated Capitalization".

As of the date of the date of this Prospectus, Mr. Malhi indirectly owns 10,037,600 Common Shares through Bullrun Capital Inc. (see "Directors and Officers" and "Principal Shareholders").

#### **RELATIONSHIP BETWEEN THE COMPANY AND AGENT**

The Company is not a "related party" or "connected party" to the Agent (as such terms are utilized in the *Securities Act* (British Columbia), the *Securities Act* (Alberta) or the *Securities Act* (Ontario)). The Company is not a "related issuer" or "connected issuer" of or to the Agent, as such terms are defined in National Instrument 33-105 - *Underwriting Conflicts*.

#### **AUDITORS**

The independent auditors of the Company are Smythe LLP, Chartered Professional Accountants, of Suite 1700, 475 Howe Street, Vancouver, BC, V6C 2B3.

#### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Company is Computershare Investor Services Inc., 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9.

#### **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company to the date hereof, or to be entered into by the Company on or prior to the Closing Date, which are considered to be material:

1. Agency Agreement dated November 14 between the Company and the Agent referred to under "Plan of Distribution";
2. Escrow Agreement dated November 14, 2019, among the Company, Computershare and certain shareholders of the Company referred to under "Escrowed Shares";

3. Registrar and Transfer Agent Agreement dated November 5, 2019 between the Company and Computershare;
4. Warrant Indenture to be entered into on or prior to the Closing Date between the Company and Computershare, as more particularly described under “Description of Securities to be Distributed – Warrants”;
5. The NIH License Agreement dated February 14, 2019 as more particularly described under “General Development of the Business – History”;
6. The NIH License Assignment Agreement dated February 18, 2019 as more particularly described under “General Development of the Business – History”;
7. The Rutgers License Agreement dated June 12, 2019 as more particularly described under “General Development of the Business – History”;
8. The Rutgers License Assignment Agreement dated June 25, 2019 as more particularly described under “General Development of the Business – History”;
9. The BullRun Agreement effective April 1, 2018 and amended July 1, 2019 as more particularly described under “Compensation of Executive Officers – Management Agreements, Consulting Contracts, Termination and Change of Control Payments”;
10. The First MistyWest PSA dated May 2, 2019 as more particularly described under “Narrative Description of the Business – From MVP to Development – Year 1 Milestones”;
11. The Second MistyWest PSA dated October 16, 2019 as more particularly described under “Narrative Description of the Business – From MVP to Development – Year 1 Milestones”;
12. The Rutgers SRA effective September 15, 2019 as more particularly described under “Narrative Description of the Business – From MVP to Development – Year 1 Milestones”; and
13. The McLennan Consulting Agreement as more particularly described under “Narrative Description of the Business – Estimated General and Administrative Expenses for the Next 12 Months”.

A copy of any material contracts may be inspected during the period that the Units are offered under this prospectus and for a period of 30 days thereafter during normal business hours at the Company’s offices at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

#### **ELIGIBILITY FOR INVESTMENT**

In the opinion of McMillan LLP, counsel to the Company, based on the current provisions of the Tax Act, and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Unit Shares, Warrants and Warrant Shares would be qualified investments at a particular time for a trust governed by a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”), deferred profit sharing plan, registered education savings plan (“RESP”), registered disability savings plan (“RDSP”) or tax-free savings account (“TFSA”), collectively, “Deferred Income Plans”, if and provided that, at the particular time:

- (i) in the case of the Unit Shares and Warrant Shares, the shares are listed on a designated stock exchange for the purposes of the Tax Act (which currently includes the CSE) or the Company qualifies as a “public corporation” (as defined in the Tax Act); and

- (ii) in the case of the Warrants, the Warrant Shares are qualified investments on the basis as described in (i) above, and further provided that the Company is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Deferred Income Plan.

The shares are currently not listed on a "designated stock exchange" and the Company is currently not a "public corporation", as those terms are defined in the Tax Act. Accordingly, the Unit Shares, Warrants and Warrant Shares are currently not a qualified investment for Deferred Income Plans. It is counsel's understanding that the Company intends to apply to list the Common Shares, Unit Shares and Warrant Shares on the CSE as of the day before Closing, with trading to commence at a later date upon completion of Closing in order to allow the Company to satisfy the conditions of the CSE and to have the Common Shares, Unit Shares and Warrant Shares listed and posted for trading prior to the issuance of the shares on Closing. Listing will be subject to the Company fulfilling all of the requirements of the CSE. The Company must rely on the CSE to list the shares in such manner as may be required to result in the shares being listed on the CSE for purposes of the Tax Act at the time of their issuance on Closing, and this result cannot be guaranteed. The adverse tax consequences where a Deferred Income Plan acquires Unit Shares, Warrants or Warrant Shares that are not a "qualified investment" are not discussed in this summary.  **Holders who intend to hold Unit Shares, Warrants or Warrant Shares within a Deferred Income Plan should consult their own tax advisors regarding whether such securities are a qualified investment at the relevant time.**

Notwithstanding that Unit Shares, Warrants and Warrant Shares may become a qualified investment as referred to above, the holder of a TFSA or an RDSP, the annuitant under an RRSP or RRIF, or the subscriber of an RESP, as the case may be, will be subject to a penalty tax in respect of Unit Shares, Warrants or Warrant Shares held in such Deferred Income Plan if such securities are a "prohibited investment" for the relevant Deferred Income Plan. A security will generally be a "prohibited investment" for a TFSA, RRSP, RRIF, RDSP or RESP if the holder, annuitant or subscriber, as the case may be, does not deal at arm's length with the Company for the purposes of the Tax Act or has a "significant interest" (as defined in the Tax Act) in the Company. Holders of a TFSA or an RDSP, annuitants under an RRSP or RRIF, and subscribers of an RESP should consult their own tax advisors as to whether the Unit Shares, Warrants or Warrant Shares will be a prohibited investment in their particular circumstances.

#### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following is, as at the date of this Prospectus, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an investor who acquires Units pursuant to the Offering and who, for the purposes of the Tax Act and at all relevant times, (i) deals at arm's length with the Company and the Agent, (ii) is not affiliated with the Company or the Agent or a subsequent purchaser of the Unit Shares, Warrants or Warrant Shares, and (iii) acquires and holds the Unit Shares and Warrants, and will hold the Warrant Shares issuable on the exercise of the Warrants, (the Unit Shares and Warrant Shares hereinafter sometimes collectively referred to as "**Shares**") as capital property. A holder who meets all of the foregoing requirements is referred to as a "**Holder**" in this summary, and this summary only addresses such Holders.

This summary does not apply to (i) a Holder that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; (ii) a Holder that is a "specified financial institution" as defined in the Tax Act; (iii), a Holder an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) a Holder that has made a functional currency reporting election under the Tax Act; (v) a Holder that has entered into or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as those terms are defined in the Tax Act, with respect to the Shares or Warrants; or (vi) a Holder that is otherwise of special status or in special circumstances. All such Holders should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes as part of a transaction or event or series of transactions or events that includes the

acquisition of the Units, controlled by a non-resident for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should also consult their own tax advisors.

This summary is based on the current provisions of the Tax Act in force as of the date hereof and our understanding of the current published administrative and assessing practice of the Canada Revenue Agency (the “CRA”). Except as specifically referenced below, this summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Tax Proposals”) and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account any changes in law or in the administrative policies or assessing practice of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

**This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. All investors (including Holders as defined above) should consult their own tax advisors with respect to their particular circumstances.**

#### **Allocation of Cost**

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the one-half Warrant comprising a Unit to determine the cost of each to the Holder for purposes of the Tax Act.

For its purposes, the Company intends to allocate \$0.34 of the Offering Price of each Unit as consideration for the issue of each Unit Share and \$0.01 of the Offering Price of each Unit for the one-half Warrant comprising part of the Unit. Although the Company believes its allocation is reasonable, it is not binding on the CRA or the Holder. The Holder’s adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

#### **Exercise of Warrants**

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder on the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder’s cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder’s adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder’s adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

#### **Holders Resident in Canada**

The following section of this summary applies to Holders who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times (“Resident Holders”). Certain Resident Holders whose Common Shares might not constitute capital property may make, in certain circumstances, an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Shares, and every other “Canadian security” (as defined in the Tax Act) held by such persons, in the taxation year of the election and each subsequent taxation year, to be capital property. This election does not apply to Warrants. Resident Holders should consult their own tax advisors regarding this election.

### *Expiry of Warrants*

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

### *Dividends*

Dividends received or deemed to be received on the Shares, if any, will be included in computing a Resident Holder's income. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act), including the enhanced dividend tax credit in respect of "eligible dividends", if any, so designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be restrictions on the Company's ability to designate any dividends as "eligible dividends", and the Company has made no commitments in this regard.

Dividends received or deemed to be received by a Resident Holder that is a corporation must be included in computing its income but may be deductible in computing its taxable income, subject to all restrictions and special rules under the Tax Act. A Resident Holder that is a "private corporation" (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a special tax under Part IV of the Tax Act (refundable in certain circumstances) on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain, and Resident Holders that are corporations should consult their own tax advisors in this regard.

### *Dispositions of Shares and Warrants*

Upon a disposition (or a deemed disposition) of a Share (except to the Company) or a Warrant (other than on the exercise thereof), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such security, as applicable, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security, as applicable, to the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

### *Capital Gains and Capital Losses*

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such year, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Shares by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Shares. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Shares directly or indirectly through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a special additional tax (refundable in certain circumstances) on its “aggregate investment income” (as defined in the Tax Act) for the year, which will include taxable capital gains.

#### *Minimum Tax*

Capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Affected Resident Holders should consult their own advisors with respect to the application of the minimum tax.

#### **Holders Not Resident in Canada**

The following section of this summary is generally applicable to Holders who, for the purposes of the Tax Act and at all relevant times (i) are not, and are not be deemed to be, resident in Canada, and (ii) do not use or hold, and are not deemed to use or hold, the Units, Shares or Warrants in carrying on a business in Canada (“**Non-Resident Holders**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Holders should consult their own tax advisors.

#### *Dividends*

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company on a Share are subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty. Under the *Canada-United States Income Tax Convention (1980)* (the “**Treaty**”) as amended, for example, the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty, is the beneficial owner of the dividends, and can substantiate entitlement to the benefits under the Treaty (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a corporation that beneficially owns at least 10% of the Company’s voting shares). Affected Non-Resident Holders should consult their own tax advisors in this regard.

#### *Dispositions of Shares and Warrants*

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Share or a Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share or Warrant constitutes or is deemed to constitute “taxable Canadian property” to the Non-Resident Holder thereof for purposes of the Tax Act and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

Provided the Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the CSE) at the time of disposition, the Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time unless, at any time during the 60 month period ending at the time of the disposition, the following two conditions are simultaneously met: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length, partnerships in which the Non-Resident Holder or such non-arm’s length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; AND (ii) more than 50% of the fair market value of such shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act) or an option in respect of, an interest in or for civil law a right in or to such property, whether or not such property exists. Notwithstanding the foregoing, a Share or Warrant may also be deemed to be taxable Canadian property to a Non-Resident Holder under certain other provisions of the Tax Act.

A Non-Resident Holder's capital gain (or capital loss) in respect of Shares or Warrants that constitute or are deemed to constitute taxable Canadian property (and are not "treaty-protected property" as defined in the Tax Act) will generally be computed in the manner described above under the subheading "Holders Resident in Canada – Dispositions of Shares and Warrants".

Non-Resident Holders who may hold Shares or Warrants as taxable Canadian property should consult their own tax advisors in this regard.

#### EXPERTS

Certain legal matters related to this Offering will be passed upon on behalf of the Company by McMillan LLP, and on behalf of the Agent by Miller Thomson.

Income tax consequences in relation to the purchase and disposition of the Shares will vary according to circumstances of each investor. **Subscribers should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisition of Shares under this Prospectus.**

The audited financial statements of the Company included with this Prospectus have been subject to audit by Smythe LLP, Chartered Professional Accountants and their independent auditor report is included herein. Smythe LLP, Chartered Professional Accountants, have advised that they are independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

No person or company whose profession or business gives authority to report, valuation, statement or opinion and whom is named as having prepared or certified a report or valuation described or included in the Prospectus holds or is to hold and beneficial or registered interest, direct or indirect, in any securities or property, associates or affiliates of the Company. The auditor is independent in accordance with the auditor's rules of professional conduct in the Province of British Columbia.

#### OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

#### PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

In an offering of Units, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Units are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

**SCHEDULE A**  
**FINANCIAL STATEMENTS**



**FIRST RESPONDER TECHNOLOGIES INC.**

**Financial Statements**

**For the years ended June 30, 2019 and 2018**

**(Expressed in Canadian Dollars)**

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF FIRST RESPONDER TECHNOLOGIES INC.

#### *Opinion*

We have audited the financial statements of First Responder Technologies Inc. (the "Company"), which comprise the statements of financial position as at June 30, 2019 and 2018, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

#### *Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$520,951 during the year ended June 30, 2019 and, as of that date, the Company has a deficit of \$566,817. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Other Information*

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
November 14, 2019

**FIRST RESPONDER TECHNOLOGIES INC.**  
**Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

<b>As at June 30</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 1,216,210	\$ 440,565
Receivables	28,277	770
Subscriptions receivable (note 5)	31,000	-
Prepaid expenses and deposits	163,792	-
	1,439,279	441,335
Deferred financing costs (note 12)	22,500	17,015
Intangible assets (note 4)	1,451,060	-
	1,473,560	17,015
	\$ 2,912,839	\$ 458,350
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 7)	\$ 308,873	\$ 56,366
Obligation to issue shares (note 4)	316,220	-
	625,093	56,366
<b>Shareholders' Equity</b>		
<b>Common shares</b> (note 5)	1,675,400	100
<b>Common share subscriptions</b> (note 5)	1,179,163	447,750
<b>Deficit</b>	(566,817)	(45,866)
	2,287,746	401,984
	\$ 2,912,839	\$ 458,350

Approved on behalf of the Board:

<i>"Kal Malhi" (signed)</i>	<i>"Robert Delamar" (signed)</i>
Director	Director

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

**FIRST RESPONDER TECHNOLOGIES INC.**  
**Statements of Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

<b>For the years ended June 30</b>	<b>2019</b>	<b>2018</b>
<b>Operating expenses</b>		
Accounting and audit fees (note 7)	\$ 10,000	\$ -
Advertising and promotions	61,500	-
Advisory fees	30,000	-
Amortization (note 4)	40,600	-
Interest and bank charges	691	375
Investor relations	18,000	-
Legal fees	50,179	5,690
Management fees (note 7)	216,996	36,000
Office and general expenses	31,402	-
Patents and licensing expenses (note 4)	16,342	1,201
Rent	8,000	-
Research and development (note 6)	79,630	2,600
	563,340	45,866
<b>Other items</b>		
Gain on settlement of debt (notes 5 and 7)	(39,375)	-
Foreign exchange gain	(3,014)	-
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (520,951)</b>	<b>\$ (45,866)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.04)</b>	<b>\$ (458)</b>
<b>Weighted average number of common shares outstanding</b>	<b>13,916,908</b>	<b>100</b>

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

**FIRST RESPONDER TECHNOLOGIES INC.**  
**Statements of Changes in Shareholders' Equity**  
**(Expressed in Canadian Dollars)**  
**For the years ended June 30, 2019 and 2018**

	Common Shares			Deficit	Total Equity
	Number Outstanding	Amount \$	Subscriptions \$		
<b>Balance, June 30, 2017</b>	100	100	-	-	100
Common share subscriptions	-	-	447,750	-	447,750
Net loss for the year	-	-	-	(45,866)	(45,866)
<b>Balance, June 30, 2018</b>	100	100	447,750	(45,866)	401,984
Private placements (note 5)	13,020,000	635,500	(447,750)	-	187,750
Share issuance costs (note 5)	-	(23,075)	-	-	(23,075)
Repurchase of shares (note 5)	(205,000)	(10,250)	-	-	(10,250)
Shares issue for license agreements (notes 4 and 5)	20,675,000	1,033,750	-	-	1,033,750
Shares issued for debt (notes 5 and 7)	787,500	39,375	-	-	39,375
Common share subscriptions (notes 5 and 12)	-	-	1,179,163	-	1,179,163
Net loss for the year	-	-	-	(520,951)	(520,951)
<b>Balance, June 30, 2019</b>	34,277,600	1,675,400	1,179,163	(566,817)	2,287,746

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

**FIRST RESPONDER TECHNOLOGIES INC.**  
**Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**

<b>For the years ended June 30</b>	<b>2019</b>	<b>2018</b>
<b>Operating activities</b>		
Net loss for the year	\$ (520,951)	\$ (45,866)
Items not affecting cash:		
Amortization	40,600	-
Gain on settlement of debt	(39,375)	-
Change in working capital balances:		
Receivables	(27,507)	(671)
Prepaid expenses and deposits	(163,792)	-
Accounts payable and accrued liabilities	206,582	39,351
<b>Cash used in operating activities</b>	<b>(504,443)</b>	<b>(7,186)</b>
<b>Financing activities</b>		
Common shares issued, net of share issue costs	133,675	-
Common share subscriptions (notes 5 and 12)	1,179,163	447,750
Repurchase of shares	(10,250)	-
Deferred financing costs	(22,500)	-
<b>Cash provided by financing activities</b>	<b>1,280,088</b>	<b>447,750</b>
<b>Inflow of cash</b>	<b>775,645</b>	<b>440,564</b>
<b>Cash, beginning of year</b>	<b>440,565</b>	<b>1</b>
<b>Cash, end of year</b>	<b>\$ 1,216,210</b>	<b>\$ 440,565</b>
<b>Supplemental Cash Flow Information</b>		
Deferred financing costs included in accounts payable and accrued liabilities	\$ -	\$ 17,015
Shares issued for intangible assets	\$ 1,033,750	\$ -
Intangible assets included in obligation to issue shares	\$ 316,220	\$ -
Intangible assets included in accounts payable and accrued liabilities	\$ 141,690	\$ -
Accounts payable and accrued liabilities settled with shares	\$ 78,750	\$ -
Share issues included in subscriptions receivable	\$ 31,000	\$ -
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

There were no cash investing activities during the years ended June 30, 2019 and 2018.

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



# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

First Responder Technologies Inc. (the “Company”) was incorporated under the *BC Business Corporations Act* on January 27, 2017. The Company is a technology development company that commercializes academic research for use in the public safety market. The principal business of the Company is the development of detection products and services that empower first responders to react effectively and efficiently in emergencies. The Company has two areas of focus:

- (i) Detection – which involves commercializing a new threat detection technology based on academic research developed by a consortium of research institutes led by Rutgers University (“Rutgers”) that can be used to detect concealed weapons, bombs and chemicals in bags.; and
- (ii) Response – which involves commercializing a short acting and less harmful pepper spray and antidote developed by the National Institutes of Health (“NIH”).

The Company’s registered and records office address is 1500 – 1055 West Georgia Street, Vancouver, BC, V6E 4N7. Its principal place of business is 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company has no current operating income. As at June 30, 2019, the Company has a deficit of \$566,817 and for the year then ended, incurred a net loss of \$520,951. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

### 2. BASIS OF PRESENTATION

- (a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

- (b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

- (c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on November 14, 2019.

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

*Financial assets at fair value through profit or loss*

Financial assets measured at fair value through profit or loss are carried in the statements of financial position at fair value with changes in fair value therein, recognized in the statements of comprehensive loss. The Company classifies cash as fair value through profit or loss.

*Financial assets measured at amortized cost*

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

There are no financial assets classified as measured at amortized cost.

*Financial assets measured at fair value through other comprehensive income ("FVTOCI")*

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to deficit when the financial instrument is derecognized or its fair value substantially decreases.

There are no financial assets classified as measured at FVTOCI.

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Financial instruments (continued)

##### Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### (ii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities included accounts payable and accrued liabilities and classified as financial liabilities measured at amortized cost.

#### (iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and accounts payable and accrued liabilities. Their carrying values approximate the fair values due to short-term maturity of these instruments.

#### (b) Intangible assets

Licenses acquired separately are measured on initial recognition at fair value.

Following initial recognition, licenses with finite useful lives are carried at cost less any accumulated amortization and accumulated impairment losses, if any. The Company amortizes its licenses over five years using the straight-line basis.

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Intangible assets (continued)

At each reporting date, the Company assesses whether there is objective evidence that the licenses are impaired. If such evidence exists, the Company recognizes an impairment loss. The loss is the difference between the carrying value and recoverable value, which is the higher of fair value less costs of disposal and value in use. The carrying amount of the licenses is reduced by this amount. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event or condition occurring after the impairment was recognized. However, the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized.

#### (c) Common shares

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Common shares issued for consideration other than cash are valued at the fair value of the assets received or the services rendered. If the fair value of the assets received or services rendered cannot be reliably measured, common shares issued for consideration will be valued at their fair value on the date of issuance.

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

#### (d) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

#### (e) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Income taxes (continued)

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

#### (f) Research and development

The Company incurs costs on activities that relate to research and development of new products. Research and development costs are expensed, except in cases where development costs meet certain identifiable criteria for deferral, including technical and economic feasibility. Development costs are capitalized only if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Deferred development costs are amortized over the life of related commercial production, or in the case of serviceable property and equipment, are included in the appropriate property group and are depreciated over its estimated useful life. As at June 30, 2019, the Company has not capitalized any research and development costs.

#### (g) Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### (h) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Use of estimates and judgments (continued)

Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Critical accounting estimates and assumptions made by management include, but are not limited to, the following:

#### Recoverability of asset carrying values

Determining the amount of impairment of intangible assets requires an estimation of the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period.

#### Useful lives of intangible assets

Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

Significant areas requiring the use of management's judgments include:

#### Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

#### Treatment of development costs

Costs to develop products are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the product is technically and economically feasible, which management assessed based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. The Company has not capitalized any development costs as at June 30, 2019.

#### Treatment of deferred financing costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Management applies significant judgment to determine whether the completion of the transaction is considered likely.

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Use of estimates and judgments (continued)

##### Treatment of acquired intangible assets

Consideration paid in the acquisition of intangible assets is capitalized to the extent that the definition of an intangible asset and the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the intangible asset be identifiable, the Company must have control over it, and it must provide future economic benefits. Management considers these factors in aggregate and applies significant judgment to determine whether the intangible asset should be recognized in the statements of financial position.

##### Recoverability of intangible assets

The Company assesses at each reporting date if intangibles assets have indicators of impairment. In determining whether intangible assets are impaired, the Company assesses certain criteria including observable decreases in value, significant changes with adverse effect on the entity, a change in market interest rates, evidence of technological obsolescence, and future plans.

##### Recoverability of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

### 4. INTANGIBLE ASSETS

#### (a) The National Cancer Institute and the National Institutes of Health ("NIH")

On February 14, 2019, Bullrun Capital Inc. ("Bullrun Capital"), a company owned directly by key management personnel, entered into a direct licensing agreement with NIH for a nonexclusive worldwide license for new pepper spray formulation technology (the "NIH License Agreement").

In consideration for the nonexclusive worldwide rights for the new pepper spray formulation technology, Bullrun Capital agreed to pay NIH:

- a non-refundable license issue royalty of US\$20,000 (\$26,844 accrued as at June 30, 2019);
- a minimum annual royalty of US\$10,000 (\$11,767 accrued and included in patents and licensing expenses at June 30, 2019);
- earned royalties of:
  - 5% on net sales by or on behalf of the Company in the United States and Canada; and
  - 3% on net sales by or on behalf of the Company in all jurisdictions other than Canada or the United States;
- benchmark royalties of:
  - US\$8,000 upon completion of a pre-clinical acute dermal/ocular toxicity studies;
  - US\$8,000 upon completion of a phase 1 clinical trial; and
  - US\$10,000 upon first commercial sale;
- unreimbursed expenses associated with the preparation, filing, prospectus, and maintenance of all patent applications and patents included with the NIH License Agreement and paid by NIH prior to the NIH License Agreement, an additional royalty not to exceed US\$70,000 (\$82,128 accrued at June 30, 2019);

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 4. INTANGIBLE ASSETS (continued)

#### (a) The National Cancer Institute and the National Institutes of Health (“NIH”) (continued)

- at NIH’s sole discretion, on an annual basis, a royalty amount equivalent to these unreimbursed expenses paid during the previous calendar year(s); and
- if the agreement is assigned by Bullrun Capital, one percent (1%) of the fair market value of any consideration received for any assignment of the NIH License Agreement.

On February 18, 2019, the Company entered into a license assignment agreement with Bullrun Capital (the “NIH License Assignment Agreement”), pursuant to which Bullrun Capital assigned to the Company all rights, titles and interests contemplated in the NIH License Agreement. As a result, the Company, through the NIH License Assignment Agreement, holds the nonexclusive worldwide rights for the new pepper spray formulation technology. As consideration and as per the terms of the NIH License Assignment Agreement, the Company issued 10,000,000 common shares of the Company to Bullrun Capital with a fair value of \$0.05 per share for a total value of \$500,000. As part of the NIH License Assignment Agreement, the Company assumed all obligations for the consideration disclosed above.

#### (b) Rutgers, The State University of New Jersey, The Research Foundation for the State of University of New York, acting for and on behalf of Binghamton University, and the Trustees of Indiana University (collectively “Rutgers” or the “Licensors”)

On June 12, 2019, Bullrun Capital entered into an exclusive license agreement with Rutgers for the intellectual property rights for the commercial development of new WiFi-based weapons detection technology (the “Rutgers License Agreement”).

In consideration for the Rutgers License Agreement, Bullrun Capital agreed to pay to the Licensors:

- a license issue fee of US\$25,000 (\$32,718 accrued as at June 30, 2019);
- milestone payments of:
  - US\$50,000 upon cumulative net sales exceeding US\$5,000,000; and
  - US\$100,000 upon cumulative net sales exceeding US\$25,000,000;
- running royalties of:
  - 8% of net sales for certain licensed products including any material, product, kit, service, process or procedure that, in whole or in part, are covered by the patent; and
  - 4% of net sales for certain licensed products including any material, product, kit, service, process or procedure that incorporates, uses or derives from the Licensors technology or the development, manufacture, use, sale or importation of which incorporates, uses or is derived from the Licensors technology;
- minimum annual royalties of:
  - US\$25,000 at the end of the calendar year in which the first commercial sale occurs (“Year 1”);
  - US\$50,000 at the end of the calendar year following Year 1 (“Year 2”);
  - US\$100,000 at the end of the calendar year following Year 2 (“Year 3”);
  - US\$200,000 at the end of each calendar year following Year 3.
- equity consideration of:
  - 10% of the Company’s total outstanding capital stock on a fully-diluted basis, as-converted basis immediately after any initial public offering (\$316,220 included in obligation to issue shares as at June 30, 2019, see discussion below); and
  - 2.5% of the Company’s then-total outstanding capital stock on a fully-diluted, as-converted basis within 15 days of the earlier of: (i) issuance of any patent related to Rutgers’ patent rights or technology, or (ii) the Company achieving cumulative net sales of US\$6,500,000 from licensed products.



# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

### 4. INTANGIBLE ASSETS (continued)

- (b) Rutgers, The State University of New Jersey, The Research Foundation for the State of University of New York, acting for and on behalf of Binghamton University, and the Trustees of Indiana University (collectively "Rutgers" or the "Licensors") (continued)

On June 28, 2019, the Company entered into a license assignment agreement with Bullrun Capital (the "Rutgers License Assignment Agreement"), pursuant to which Bullrun Capital assigned to the Company all rights, titles and interests contemplated in the Rutgers License Agreement. As a result, the Company, through the Rutgers License Assignment Agreement, holds the exclusive global rights for the new WiFi technology. As consideration and as per the terms of the Rutgers License Assignment Agreement, the Company issued 10,675,000 common shares of the Company to Bullrun Capital with a fair value of \$0.05 per share for a total value of \$533,750. As part of the Rutgers License Assignment Agreement, the Company assumed all obligations for the consideration disclosed above.

As disclosed in note 12, the Company intends to file a prospectus offering a minimum of 10,000,000 units and a maximum of 20,000,000 units at \$0.35 per unit as an initial public offering. As such, the Company determined that it is likely the initial public offering will be completed and recorded an obligation to issue shares of \$316,220 which was capitalized to intangible assets. This amount was determined based on an estimated 6,324,401 common shares with a fair value of \$0.05 per share to be issued to Rutgers, representing 10% of the estimated shares outstanding on a fully-diluted basis following the minimum expected initial public offering.

		NIH License Assignment Agreement		Rutgers License Assignment Agreement		Total
<b>Cost</b>						
Balance, June 30, 2018 and 2017	\$	-	\$	-	\$	-
Additions		608,972		882,688		1,491,660
Balance, June 30, 2019	\$	608,972	\$	882,688	\$	1,491,660
<b>Accumulated Amortization</b>						
Balance, June 30, 2018 and 2017	\$	-	\$	-	\$	-
Amortization		40,600		-		40,600
Balance, June 30, 2019	\$	40,600	\$	-	\$	40,600
<b>Carrying Amounts</b>						
June 30, 2018	\$	-	\$	-	\$	-
June 30, 2019	\$	568,372	\$	882,688	\$	1,451,060

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 5. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the year ended June 30, 2018, the Company received \$447,750 for shares which were issued as part of the private placement completed in July 2018, as described below.

During July 2018, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$475,000 through the issuance of 9,810,000 common shares. Associated with this private placement, the Company incurred share issue costs of \$23,075. As at June 30, 2019, \$1,000 of subscriptions remain uncollected and recorded as subscriptions receivable. Subsequent to year-end, the Company received the \$1,000 balance.

On January 31, 2019, the Company repurchased 205,000 common shares at \$0.05 per share for a total value of \$10,250.

On February 20, 2019, the Company issued 10,000,000 common shares with a fair value of \$500,000 to Bullrun Capital as consideration as per terms of the NIH License Assignment Agreement (note 4).

On April 3, 2019, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$130,000 through the issuance of 2,600,000 common shares at \$0.05 per share.

On May 28, 2019, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$30,500 through the issuance of 610,000 common shares at \$0.05 per share. As at June 30, 2019, \$30,000 of subscriptions remain uncollected and recorded as subscriptions receivable. Subsequent to year-end, the Company received the \$30,000 balance.

On June 28, 2019, the Company issued 10,675,000 common shares with a fair value of \$533,750 to Bullrun Capital as consideration as per terms of the Rutgers License Assignment Agreement (note 4).

On June 30, 2019, the Company settled \$78,750 in accounts payable and accrued liabilities due to related parties by issuing 787,500 common shares with a fair value of \$0.05 per share (note 7). As a result, the Company recorded a gain on settlement of debt of \$39,375 in the statements of comprehensive loss.

As at June 30, 2019, the Company recorded \$1,179,163 in common share subscriptions for funds received prior to year-end. The Company completed a non-brokered private placement subsequent to June 30, 2019 (note 12).

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

### 6. RESEARCH AND DEVELOPMENT

Details of research and development expenses during the years ended June 30, 2019 and 2018 are as follows:

	2019	2018
Pepper spray formulation technology	\$ 43,082	\$ -
WiFi-based weapons detection technology	31,418	-
Other	5,130	2,600
	\$ 79,630	\$ 2,600

### 7. RELATED PARTY TRANSACTIONS

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

As disclosed in note 4, the Company entered into two license assignment agreements with Bullrun Capital, a company owned directly by key management personnel, during the year ended June 30, 2019. In consideration, the Company issued an aggregate of 20,675,000 common shares with a total fair value of \$1,033,750 to Bullrun Capital.

During the year ended June 30, 2019, the Company incurred management fees of \$87,996 (2018 – \$12,000) to the Company's Chief Financial Officer and Chief Science Officer.

During the year ended June 30, 2019, the Company incurred management fees of \$129,000 (2018 – \$24,000) and accounting and audit fees of \$2,500 (2018 – \$nil) to companies owned directly or indirectly by key management personnel of the Company.

As at June 30, 2019, accounts payable and accrued liabilities includes \$3,500 (2018 – \$32,400) payable to key management personnel and companies owned directly or indirectly by key management personnel.

Amounts due to related parties included in accounts payable and accrued liabilities are unsecured, non-interest-bearing and are without fixed terms of repayment.

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

### 8. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% (2018 – 26.5%) to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2019	2018
Net loss for the year	\$ (520,951)	\$ (45,866)
Statutory income tax rate	27%	26.5%
Income tax benefit computed at statutory tax rate	\$ (140,657)	\$ (12,154)
Effect of change in tax rates	-	(229)
Share issuance costs	(6,230)	-
Items not deductible for tax purposes	(11,445)	-
Change in estimate	(2,455)	-
Unused tax losses and tax offsets not recognized	160,787	12,383
Income tax expense	\$ -	\$ -

Deferred income tax assets are only recognized to the extent that the realization of tax benefits is determined to be probable. As at June 30, 2019, the Company has not recognized the benefit of the following deductible temporary differences:

	2019	2018
Intangible assets	\$ 40,600	\$ -
Share issuance costs	\$ 18,500	\$ -
Non capital loss carry forward	\$ 576,600	\$ 45,000

As at June 30, 2019, the Company has \$576,600 (2018 - \$45,000) in estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. The non-capital losses expire in 2038 to 2039.

### 9. RISK MANAGEMENT

#### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

#### (b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is not exposed to significant liquidity risk.

# FIRST RESPONDER TECHNOLOGIES INC.

## Notes to the Financial Statements

For the years ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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### 9. RISK MANAGEMENT (continued)

#### (b) Liquidity risk (continued)

As at June 30, 2019, the Company had a cash balance of \$1,216,210 (2018 – \$440,565) available to apply against short-term business requirements and current liabilities of \$625,093 (2018 – \$56,366). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2019.

#### (c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

### 10. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

### 11. SEGMENTED INFORMATION

The Company has one operating segment, technology development. All assets of the Company are located in Canada.

### 12. EVENTS AFTER THE REPORTING DATE

On July 11, 2019, the Company implemented an Incentive Stock Option Plan (the "Plan"). Pursuant to the Plan, the Company will grant stock options to directors, officers, employees and consultants for services, provided that the number of common shares reserved for issuance shall not exceed 10% of the issued and outstanding common shares exercisable for a period of up to 5 years. The exercise price and vesting terms of the options granted under the Plan will be determined by the Board of Directors.

On July 25, 2019, the Company cancelled 300,000 common shares and granted 3,000,000 options to certain officers of the Company.

On August 9, 2019, the Company completed a non-brokered private placement of 6,977,610 units at a price of \$0.35 per unit for gross proceeds of \$2,442,164 (\$1,179,163 received during the year ended June 30, 2019 (note 5)). Each unit consists of one common share and one half common share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$0.50 per common share for a full warrant for two years from the date of issue.

## **FIRST RESPONDER TECHNOLOGIES INC.**

### **Notes to the Financial Statements**

**For the years ended June 30, 2019 and 2018**

**(Expressed in Canadian Dollars)**

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#### **12. EVENTS AFTER THE REPORTING DATE (continued)**

The Company intends to file a prospectus with the securities regulatory authorities in the Provinces of Ontario, Alberta and British Columbia and with the Canadian Securities Exchange (the "CSE"), offering a minimum of 10,000,000 Units and a maximum of 20,000,000 Units at \$0.35 per Unit as an initial public offering (the "Offering"). Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at \$0.50 per share for a period of 24 months from the completion of the Offering. Pursuant to an Agency Agreement between the Company and PI Financial Corp. (the "Agent"), the Agent will receive a cash commission equal to 8% of the gross proceeds, be paid a corporate finance fee of \$25,000, reimbursed for reasonable expenses, and will be granted non-transferable agent warrants equal to 8% of the Units sold in the Offering to purchase common shares at a price of \$0.50 per common share, exercisable for a period of 24 months from the date the common shares commence trading on the CSE. The Agent will also be reimbursed by the Company for the Agent's expenses, including legal fees, incurred pursuant to the Offering. As at June 30, 2019 included in deferred financing costs is an amount of \$22,500 (2018 - \$17,015), paid to the Agent.

**SCHEDULE B**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FIRST RESPONDER TECHNOLOGIES INC.**

**Management's Discussion and Analysis  
For the year ended June 30, 2019**

**Prepared as of November 14, 2019**



## ***Management's Discussion and Analysis***

### **For the year ended June 30, 2019 prepared as of November 14, 2019**

The following management's discussion and analysis ("MD&A") has been prepared by Management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited annual financial statements for the year ended June 30, 2019 and 2018 and notes thereto of First Responder Technologies Inc. ("First Responder" or the "Company"). The information provided herein supplements but does not form part of the financial statements. This discussion covers the year ended June 30, 2019 and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars.

The Company's financial statements for the year ended June 30, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is intended to help the reader understand First Responder, its operations, financial performance, current and future business environment and opportunities and risks facing the Company. Certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 1 of this MD&A.

### **Description of Business and Overview**

First Responder was incorporated under the *BC Business Corporations Act* on January 27, 2017. The Company has not commenced commercial operations. At present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete its development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

### **General Development of the Business**

The Company is a technology development company that commercializes academic research for use in the public safety market. The principal business of the Company is the development of detection products and services that empower first responders to react effectively and efficiently in emergencies. The Company has two areas of focus:

- (i) Detection – which involves commercializing a new threat detection technology based on academic research developed by a consortium of research institutes led by Rutgers University ("Rutgers") that can be used to detect concealed weapons, bombs and chemicals in bags.; and
- (ii) Response – which involves commercializing a short acting and less harmful pepper spray and antidote developed by the National Institutes of Health ("NIH").

## **Detection**

The principal business of the Company is the development of detection products and services by commercializing WiFi technology developed by Rutgers that can be used to detect concealed weapons, bombs and chemicals in bags. In the Company's view, this new WiFi-based threat detection technology can be utilized by a wide range of industries to not only make their premises secure but also reduce their cost of security detection.

The Company's WiFi-based threat detection products are currently in the research and development stage. With respect to its research and development efforts, the Company will use a combination of in-house and outsourced research. . The Company has engaged Naresh Singhal to act as CTO and lead in-house development of the WiFi-based products. As well, Mr. Singhal is leading two outsourced development efforts: 1) Misty West, which is a rapid prototype firm based in Vancouver, BC which is leading the Company's development work; and 2) Rutgers University and inventor Dr. Jennifer Chen. Dr. Chen will provide graduate student led research through Rutgers.

## **Response**

The secondary business of the Company is to develop and sell its patented short acting pepper spray product, as well as a separate first aid treatment product, to both the police and military market and emergency response markets globally. The Company has various distribution options and will either engage in direct manufacturing of the products and will develop its own brand, or it will license the formulations for both to one of the current top leading global brands. In addition, it may also white label the products in order to serve the maximum number of global brands possible, or a combination of all of the above.

The Company's pepper spray products are currently in the research and development stage. The Company anticipates outsourcing all research and development efforts for the pepper spray product. The Company's investment in research and development over the next 12-24 months will be minimal and limited largely to maintaining the terms of NIH License.

The Company will in part be relying on a key issued patent as well as an additional patent filing currently under review. The Company also plans to file for additional patent protection for the new pepper spray formulation both as a combination with capsicum and as a direct first aid treatment for pepper spray exposure.

In addition, for both Detection and Response, the Company will also rely on non-patented intellectual property (know how) that will be a key part of the product development and manufacturing process along with branding awareness and brand loyalty as the products are sold and distributed globally.

## **Significant Agreements**

### The National Cancer Institute and the National Institutes of Health ("NIH")

On February 14, 2019, Bullrun Capital Inc. ("Bullrun Capital") entered into a direct licensing agreement with NIH for a nonexclusive worldwide license for new pepper spray formulation technology (the "NIH License Agreement").

In consideration for the nonexclusive worldwide rights for the new pepper spray formulation technology, Bullrun Capital agreed to pay NIH:

- a non-refundable license issue royalty of US\$20,000;
- a minimum annual royalty of US\$10,000;
- earned royalties of:
  - 5% on net sales by or on behalf of the Company in the United States and Canada; and
  - 3% on net sales by or on behalf of the Company in all jurisdictions other than Canada or the United States;

- benchmark royalties of:
  - US\$8,000 upon completion of a pre-clinical acute dermal/ocular toxicity studies;
  - US\$8,000 upon completion of a phase 1 clinical trial; and
  - US\$10,000 upon first commercial sale;
- unreimbursed expenses associated with the preparation, filing, prospectus, and maintenance of all patent applications and patents included with the NIH License agreement and paid by NIH prior the NIH License Agreement, an additional royalty not to exceed US\$70,000;
- at NIH's sole discretion, on an annual basis, a royalty amount equivalent to these unreimbursed expenses paid during the previous calendar year(s); and
- if the agreement is assigned by Bullrun Capital, one percent (1%) of the fair market value of any consideration received for any assignment of the NIH License Agreement.

On February 18, 2019, the Company entered into a license assignment agreement with Bullrun Capital (the "NIH License Assignment Agreement"), pursuant to which Bullrun Capital assigned to the Company all rights, titles and interests contemplated in the NIH License Agreement. As a result, the Company, through the NIH License Assignment Agreement, holds the nonexclusive worldwide rights for the new pepper spray formulation technology. As consideration and as per the terms of the NIH License Assignment Agreement, the Company issued 10,000,000 common shares of the Company to Bullrun Capital with a fair value of \$0.05 per share for a total value of \$500,000.

Rutgers, The State University of New Jersey, The Research Foundation for the State of University of New York, acting for and on behalf of Binghamton University, and the Trustees of Indiana University (collectively "Rutgers" or "the Licensors")

On June 12, 2019, Bullrun Capital entered into an exclusive license agreement with Rutgers for the intellectual property rights for the commercial development of new WiFi-based weapons detection technology (the "Rutgers License Agreement").

In consideration for the Rutgers License Agreement, Bullrun Capital agreed to pay to the Licensors:

- a license issue fee of US\$25,000;
- milestone payments of:
  - US\$50,000 upon cumulative net sales exceeding US\$5,000,000; and
  - US\$100,000 upon cumulative net sales exceeding US\$25,000,000;
- running royalties of:
  - 8% of net sales for certain licensed products including any material, product, kit, service, process or procedure that, in whole or in part, are covered by the patent; and
  - 4% of net sales for certain licensed products including any material, product, kit, service, process or procedure that incorporates, uses or derives from the Licensors technology or the development, manufacture, use, sale or importation of which incorporates, uses or is derived from the Licensors technology;
- minimum annual royalties of:
  - US\$25,000 at the end of the calendar year in which the first commercial sale occurs ("Year 1");
  - US\$50,000 at the end of the calendar year following Year 1 ("Year 2");
  - US\$100,000 at the end of the calendar year following Year 2 ("Year 3");
  - US\$200,000 at the end of each calendar year following Year 3.
- equity consideration of:
  - 10% of the Company's total outstanding capital stock on a fully-diluted basis, as-converted basis immediately after any initial public offering; and
  - 2.5% of the Company's then-total outstanding capital stock on a fully-diluted, as-converted basis within 15 days of the earlier of: (i) issuance of any patent related to Rutgers' patent rights or technology, or (ii) the Company achieving cumulative net sales of US\$6,500,000 from licensed products.

On June 28, 2019, the Company entered into a license assignment agreement with Bullrun Capital (the "Rutgers License Assignment Agreement"), pursuant to which Bullrun Capital assigned to the Company

all rights, titles and interests contemplated in the Rutgers License Agreement. As a result, the Company, through the Rutgers License Assignment Agreement, holds the exclusive global rights for the new WiFi technology. As consideration and as per the terms of the Rutgers License Assignment Agreement, the Company issued 10,675,000 common shares of the Company to Bullrun Capital with a fair value of \$0.05 per share for a total value of \$533,750.

## Trends

Management is not aware of any trend, commitments, events or uncertainties that could reasonably be expected to have a material adverse effect on the Company's business, financial condition or results of operations.

## Financial Results of Operations

### Selected Financial Information

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:

	Year ended June 30, 2019	Year ended June 30, 2018	Period from incorporation on January 27, 2017 to June 30, 2017
Total revenue	\$nil	\$nil	\$nil
Net Loss	\$520,951	\$45,866	\$nil
Loss per common share, basic and diluted	\$0.04	\$458.00	\$0.00
Total assets	\$2,912,839	\$458,350	\$100
Long term debt	\$nil	\$nil	\$nil
Dividends paid/payable	\$nil	\$nil	\$nil

### Quarterly Financial Results

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:

Quarter ended	Jun 30, 2019 <sup>(2)</sup>	Mar 31, 2019 <sup>(1)</sup>	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017
Cash	\$1,216,210	\$1,129,726	348,641	\$430,130	\$440,565	\$53,000	\$1	\$1
Net loss	\$173,439	\$195,795	\$75,666	\$76,051	\$45,866	\$nil	\$nil	\$nil
Shares outstanding	33,967,600	19,605,100	9,810,100	9,810,100	100	100	100	100
Loss per share	\$0.01	\$0.01	\$0.01	\$0.01	\$458	\$nil	\$nil	\$nil

(1) The increase of shares outstanding to 19,605,100 for the quarter ended March 31, 2019, was mainly due to the issuance of 10,000,000 shares of the Company to Bullrun Capital for the NIH License Assignment Agreement. The increase of cash to \$1,129,726 for the quarter ended March 31, 2019 was mainly due to subscriptions received in anticipation of private placements completed in April, May and August 2019.

(2) The increase of shares outstanding to 33,967,600 for the quarter ended June 30, 2019, was mainly due to the issuance of 10,675,000 shares of the Company to Bullrun Capital for the Rutgers License Assignment Agreement.

## Results of Operations

### Three months ended June 30, 2019 and 2018

The Company incurred a net loss of \$173,439 for the three months ended June 30, 2019 compared to a net of loss of \$45,866 for the comparable period in 2018. The loss in 2019 can be attributed mainly to advisory fees, investor relations expenses, management fees, and research and development costs.

For the three months ended June 30, 2019, the Company incurred advisory fees of \$22,000 compared to \$nil for the comparable period in 2018. Expenses in 2019 were associated with the addition of advisors to assist in the strategic development of the Company.

For the three months ended June 30, 2019, the Company incurred investor relations expenses of \$18,000 compared to \$nil for the comparable period in 2018. Expenses in 2019 were associated with increased activity to promote existing and potential investment in the Company.

For the three months ended June 30, 2019, the Company incurred management fees of \$48,999 compared to \$36,000 for the comparable period in 2018. Expenses incurred in 2019 were for fees accrued or paid to related parties of the Company for additional time spent on the operations of the Company compared to 2018.

For the three months ended June 30, 2019, the Company incurred office and general expenses of \$14,610 compared to \$nil for the comparable period in 2018. Expenses incurred in 2019 were for costs associated with setup of the Company's website.

For the three months ended June 30, 2019, the Company incurred research and development costs of \$31,418 compared to \$2,600 for the comparable period in 2018. Expenses incurred in 2019 were for costs associated with initiating the development of the Company's pepper spray and detection products and services.

### Year ended June 30, 2019 and 2018

The Company incurred a net loss of \$520,951 for the year ended June 30, 2019 compared to a net of loss of \$45,866 for the comparable period in 2018. The loss in 2019 can be attributed mainly to accounting and audit fees, advertising and promotion costs, advisory fees, investor relations expenses, legal fees, management fees, office and general expenses, and research and development costs.

For the year ended June 30, 2019, the Company incurred accounting and audit fees of \$10,000 compared to \$nil for the comparable period in 2018. Expenses incurred in 2019 were for audit-related costs associated with the Company's last fiscal year end.

For the year ended June 30, 2019, the Company incurred advertising and promotion costs of \$61,500 compared to \$nil for the comparable period in 2018. Expenses in 2019 were associated with the creation of the Company's website, investor presentations and videos created to demonstrate and educate the Company to an investor audience.

For the year ended June 30, 2019, the Company incurred advisory fees of \$30,000 compared to \$nil for the comparable period in 2018. Expenses in 2019 were associated with the addition of advisors to assist in the strategic development of the Company.

For the year ended June 30, 2019, the Company incurred investor relations expenses of \$18,000 compared to \$nil for the comparable period in 2018. Expenses in 2019 were associated with increased activity to promote existing and potential investment in the Company.

For the year ended June 30, 2019, the Company incurred legal fees of \$50,179 compared to \$5,690 for the comparable period in 2018. Expenses in 2019 were associated with increased corporate activity of the Company.

For the year ended June 30, 2019, the Company incurred management fees of \$216,996 compared to \$36,000 for the comparable period in 2018. Expenses incurred in 2019 were for fees accrued or paid to related parties of the Company for additional time spent on the operations of the Company compared to 2018.

For the year ended June 30, 2019, the Company incurred office and general expenses of \$31,402 compared to \$nil for the comparable period in 2018. Expenses incurred in 2019 were for costs associated with recruiting management and advisors to the Company and setup of the Company's website.

For the year ended June 30, 2019, the Company incurred research and development costs of \$79,630 compared to \$2,600 for the comparable period in 2018. Expenses incurred in 2019 were for costs associated with initiating the development of the Company's pepper spray and detection products and services.

## Liquidity and Capital Resources

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

At June 30, 2019 the Company had working capital<sup>(1)</sup> of \$814,186 (June 30, 2018 – \$384,969) which included cash of \$1,216,210 (June 30, 2018 – \$440,565) available to meet short-term business requirements and liabilities of \$625,093 (June 30, 2018 – \$56,366). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has no long term debt. Included in the Company's short-term business liabilities is an obligation to issue shares of \$316,220. The Company intends to file a prospectus offering a minimum of 10,000,000 Units and a maximum of 20,000,000 Units at \$0.35 per Unit as an initial public offering (see below). As such, the Company determined that it is likely the initial public offering will be completed and recorded an obligation to issue shares of \$316,220 which was capitalized to intangible assets. This amount was determined based on an estimated 6,324,401 common shares with a fair value of \$0.05 per share to be issued to Rutgers, representing 10% of the estimated shares outstanding on a fully-diluted basis following the minimum expected initial public offering.

<sup>(1)</sup> Non-GAAP Financial Measure:

The Company uses "working capital" to assess liquidity and general financial strength and is calculated as current assets less current liabilities. Working capital does not have any standardized meaning prescribed by IFRS and is referred to as a "Non-GAAP Financial Measure." It is unlikely for Non-GAAP Financial Measures to be comparable to similar measures presented by other companies. Working capital is calculated as current assets (June 30, 2019 – \$1,439,278; June 30, 2018 – \$441,335), less current liabilities (June 30, 2019 – \$625,093; June 30, 2018 – \$56,366).

On July 5, 2018, the Company completed the first tranche of a non-brokered private placement financing (the "July 2018 Private Placement") raising aggregate gross proceeds of \$459,750 through the issuance of 9,195,000 common shares at \$0.05 per share.

On July 24, 2018, the Company completed the second tranche of the July 2018 Private Placement raising aggregate gross proceeds of \$15,250 through the issuance of 305,000 common shares at \$0.05 per share. Associated with the July 2018 Private Placement, the Company incurred share issue costs of \$23,075. As at June 30, 2019, \$1,000 of subscriptions remains uncollected and recorded as subscriptions receivable. Subsequent to year-end, the Company received the \$1,000 balance.

On April 3, 2019, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$130,000 through the issuance of 2,600,000 common shares at \$0.05 per share.

On May 28, 2019, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$30,500 through the issuance of 610,000 common shares at \$0.05 per share. As at June 30, 2019, \$30,000 of subscriptions remains uncollected and recorded as subscriptions receivable. Subsequent to year-end, the Company received the \$30,000 balance.

On June 30, 2019, the Company settled \$78,750 in accounts payable and accrued liabilities due to related parties by issuing 787,500 common shares with a fair value of \$0.05 per share (note 7). As a result, the Company recorded a gain on settlement of debt of \$39,375.

On August 9, 2019, the Company completed a non-brokered private placement of 6,977,610 units at a price of \$0.35 per unit for gross proceeds of \$2,442,164. Each unit consists of one common share and one half common share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$0.50 per common share for a full warrant for two years from the date of issue.

At present, the Company has no current operating income. The Company's resources are currently focused on completing an initial public offering ("IPO") the terms of which are yet to be determined. There is no assurance that the Company will be able to complete its IPO at all or on favourable terms. Without funding from its IPO, the Company may not be able to fund its current operations and development activities.

The Company intends to file a prospectus with the securities regulatory authorities in the Provinces of Ontario, Alberta and British Columbia and with the Canadian Securities Exchange (the "CSE"), offering a minimum of 10,000,000 Units and a maximum of 20,000,000 Units at \$0.35 per Unit as an initial public offering (the "Offering"). Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at \$0.50 per share for a period of 24 months from the completion of the Offering. Pursuant to an Agency Agreement between the Company and PI Financial Corp. (the "Agent"), the Agent will receive a cash commission equal to 8% of the gross proceeds, be paid a corporate finance fee of \$25,000, reimbursed for reasonable expenses, and will be granted non-transferable agent warrants equal to 8% of the Units sold in the Offering to purchase common shares at a price of \$0.50 per common share, exercisable for a period of 24 months from the date the common shares commence trading on the CSE. The Agent will also be reimbursed by the Company for the Agent's expenses, including legal fees, incurred pursuant to the Offering. As at June 30, 2019 included in deferred financing costs is an amount of \$22,500 (2018 - \$17,015), paid to the Agent.

Without funding from additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain current and ongoing operations.

## **Outstanding Share Data**

As at June 30, 2019, the Company had 34,277,600 common shares issued and outstanding.

As at the date of this MD&A, the Company had 40,955,210 common shares issued and outstanding, 3,488,802 warrants outstanding and 3,000,000 option outstanding.

## **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

## Transactions with Related Parties

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the year ended June 30, 2019, the Company entered into two license assignment agreements with Bullrun Capital, a company owned directly by key management personnel. In consideration, the Company issued an aggregate of 20,675,000 common shares with a total fair value of \$1,033,750 to Bullrun Capital.

During the year ended June 30, 2019, the Company paid or accrued management fees of \$87,996 (2018 – \$12,000) to key management personnel of the Company.

During the year ended June 30, 2019, the Company paid or accrued management fees of \$129,000 (2018 – \$24,000) and accounting and audit fees of \$2,500 (2018 – \$nil) to companies owned directly or indirectly by key management personnel of the Company.

As at June 30, 2019, accounts payable and accrued liabilities includes \$3,500 (June 30, 2018 – \$32,400) payable to key management personnel and companies owned directly or indirectly by key management personnel.

Amounts due to related parties included in accounts payable and accrued liabilities are unsecured, non-interest-bearing and are without fixed terms of repayment.

## Financial Instruments

The Company's financial instruments as at June 30, 2019 include cash and accounts payable and accrued liabilities.

The Company's financial assets and financial liabilities are classified and measured as follows:

Financial instrument	Category
Cash	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost

The carrying values of financial assets and liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.



(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is not exposed to significant liquidity risk.

As at June 30, 2019, the Company had a cash balance of \$1,216,210 (June 30, 2018 – \$440,565) available to apply against short-term business requirements and current liabilities of \$130,268 (June 30, 2018 – \$56,366). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2019.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

### **Management’s responsibility for financial statements**

The information provided in this report, including the financial statements is the responsibility of Management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

November 14, 2019

On behalf of Management and the Board of Directors,

*“Robert Delamar”*

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Chief Executive Officer and Director

### Cautionary Note Regarding Forward-Looking Statements

Certain statements in this MD&A that are not based on historical facts constitute forward-looking information, as defined in securities laws. Forward-looking information is not a promise or guarantee of future performance but is only a prediction that relates to future events, conditions or circumstances or the Company's future results, performance, achievements or developments and is subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause the Company's actual results, performance, achievements or developments in its business or industry to differ materially from those expressed, anticipated or implied by such forward-looking information. Forward-looking statements in this MD&A include all disclosure regarding possible events, conditions, circumstances or results of operations that are based on assumptions about future economic conditions, courses of action and other future events. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. These forward-looking statements appear in a number of different places in this MD&A and can be identified by words such as "may", "estimates", "projects", "expects", "intends", "believes", "plans", "anticipates", "continue", "growing", "expanding", or their negatives or other comparable words. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the introduction or enhancement of its services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, and other expectations, intentions and plans that are not historical fact. The forward looking statements in this MD&A are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. Specifically, management has assumed that the Company's performance will meet management's internal projections. While management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. The risk factors and uncertainties that may affect the Company's actual results, performance, achievements or developments are many and include the matters described in Appendix 1. Consequently, all forward-looking statements in this report are qualified by this cautionary statement and the Company cannot assure investors that actual results, performance, achievements or developments that the Company anticipates will be realized. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and the Company does not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

## SCHEDULE C

### AUDIT COMMITTEE CHARTER

#### 1. PURPOSE AND PRIMARY RESPONSIBILITY

1.1 This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "Board") of First Responder Technologies Inc. (the "Company"), annual evaluation and compliance with this charter.

1.2 The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

#### 2. MEMBERSHIP

2.1 At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("NI 52-110"), provided that should the Company become listed on a senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

2.2 The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.

2.3 The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

2.4 The Chair of the Audit Committee will be appointed by the Board.

#### 3. AUTHORITY

3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- (a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
- (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

- (c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

#### **4. DUTIES AND RESPONSIBILITIES**

##### **4.1 The duties and responsibilities of the Audit Committee include:**

- (a) recommending to the Board the external auditor to be nominated by the Board;
- (b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
- (c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;
- (f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- (g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
- (h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
- (i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- (j) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

- (k) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
- (l) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- (m) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- (n) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- (o) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (p) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- (q) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- (r) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
- (s) resolving disputes between management and the external auditor regarding financial reporting;
- (t) establishing procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (u) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (v) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

- (w) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
- (x) establishing procedures for:
  - (i) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;
  - (ii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
  - (iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("CEO") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
  - (iv) reviewing fraud prevention policies and programs, and monitoring their implementation;
  - (v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:
    - (A) Tax and financial reporting laws and regulations;
    - (B) Legal withholding requirements;
    - (C) Environmental protection laws and regulations; and
    - (D) Other laws and regulations which expose directors to liability.

4.2 A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

4.3 On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

## **5. MEETINGS**

5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

5.2 The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

5.3 The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

5.4 The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.5 The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

5.6 Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

## **6. REPORTS**

6.1 The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

6.2 The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

## **7. MINUTES**

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

## **8. ANNUAL PERFORMANCE EVALUATION**

8.1 The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

**CERTIFICATE OF THE COMPANY**

Dated: November 14, 2019.

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, and Ontario and the respective regulations thereunder.

*"Robert Delamar"*

Robert Delamar  
Chief Executive Officer

*"Michael Malana"*

Michael Malana  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Kulwant Malhi"*

Kulwant Malhi  
Director

*"Mark Williams"*

Mark Williams  
Director

**CERTIFICATE OF PROMOTER**

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, and Ontario and the respective regulations thereunder.

*(Signed) "Kulwant Malhi"*

Kulwant Malhi

*(Signed) "Kulwant Malhi"*

BullRun Capital Inc.



**CERTIFICATE OF THE AGENT**

Dated: November 14, 2019.

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislations of British Columbia, Alberta, and Ontario and the respective regulations thereunder.

**PI FINANCIAL CORP.**

Per:

*"Jim Locke"*

\_\_\_\_\_  
Jim Locke

Vice President, Investment Banking

**APPENDIX B**

**Exchange Listing Statement Disclosure – Additional Information**

**CAPITALIZATION**

**Issued Capital**

	<b>Number of Securities (non-diluted) On Listing</b>	<b>Number of Securities (fully-diluted) On Listing</b>	<b>%of Issued (non-diluted)</b>	<b>% of Issued (fully diluted)</b>
<u>Public Float</u>				
Total outstanding (A)	54,929,396	69,523,225	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	23,797,600	28,397,600	43.32%	40.85%
Total Public Float (A-B)	31,131,796	41,125,625	56.68%	59.15%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	21,712,600	21,712,600	39.53%	31.23%
Total Tradeable Float (A-C)	33,216,796	47,810,625	60.47%	68.77%

Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	308	31,131,796
	<b>308</b>	<b>31,131,796</b>

Public Securityholders (Beneficial)

**Instruction:** Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	3	12,900
5,000 or more securities	522	31,118,896
	<b>525</b>	<b>31,131,796</b>

Non-Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	7	23,797,600
	<b>7</b>	<b>23,797,600</b>

**CONVERTIBLE SECURITIES**

<b>Type of Convertible Security</b>	<b>Conversion Terms</b>	<b>Number of convertible / exchangeable securities outstanding</b>	<b>Number of listed securities issuable upon conversion / exercise</b>
Common share purchase warrants	Each whole common share purchase warrant will entitle the holder thereof to purchase an additional Common Share at an exercise price of \$0.50 per Common Share on or before August 9, 2021.	3,488,802	3,488,802
Common share purchase warrants	Each Warrant is exercisable into one common share of the Company at the price of \$0.50 per Warrant Share, subject to adjustment, on or before January 14, 2022.	6,987,093	6,987,093

Type of Convertible Security	Conversion Terms	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Agent's Options	Non-transferable share purchase warrants (the " <b>Agent's Options</b> ") of the Company granted to the Agent, entitling the Agent to subscribe for that number of Common Shares of the Company (the " <b>Agent's Option Shares</b> ") equal to 8% of the Units sold by the Company pursuant to the Offering at an exercise price of \$0.50 per Agent's Option Share on or before January 13, 2022.	1,117,934	1,117,934
Options	<p>Each option entitles the holder thereof to purchase common shares in the capital of the Company at a purchase price of \$0.05 per Common Share any time from July 25, 2019 through to and including up to 4:00 p.m. local time in Vancouver, British Columbia on July 25, 2024.</p> <p>The options will vest in accordance with the following:</p> <ul style="list-style-type: none"> <li>(a) 1,000,000 (33.3%) will vest and be exercisable on or after July 25, 2019;</li> <li>(b) 1,000,000 (33.3%) will vest and be exercisable on or after July 25, 2020;</li> <li>and</li> <li>(c) 1,000,000 (33.3%) will vest and be exercisable on or after July 25, 2021.</li> </ul>	3,000,000	3,000,000
<b>Total:</b>		<b>14,593,829</b>	<b>14,593,829</b>


**LISTED SECURITIES RESERVED FOR ISSUANCE THAT ARE NOT INCLUDED IN THE ABOVE SECTION**


The Issuer will grant 2,690,000 stock options to certain consultants of the Issuer under the Stock Option Plan within 15 days after the listing date.


### CERTIFICATE OF THE ISSUER


Pursuant to a resolution duly passed by its Board of Directors, FIRST RESPONDER TECHNOLOGIES INC.. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to FIRST RESPONDER TECHNOLOGIES INC. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC, this 14<sup>th</sup> day of January, 2020

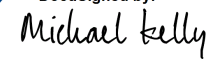
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Robert Delamar  
Chief Executive Officer

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Michael Malana  
Chief Financial Officer

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Kulwant Malhi  
Director

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Mark Williams  
Director

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Christopher Moreau  
Director

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Michael Charles Kelly  
Director

## CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, FIRST RESPONDER TECHNOLOGIES INC.. hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to FIRST RESPONDER TECHNOLOGIES INC. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC, this 14<sup>th</sup> day of January, 2020

*"Robert Delamar"*

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Robert Delamar  
Chief Executive Officer

*"Michael Malana"*

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Michael Malana  
Chief Financial Officer

*"Kulwant Malhi"*

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Kulwant Malhi  
Director

*"Mark Williams"*

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Mark Williams  
Director

*"Christopher Moreau"*

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Christopher Moreau  
Director

*"Michael Charles Kelly"*

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Michael Charles Kelly  
Director