FIRST RESPONDER TECHNOLOGIES INC.

Interim Condensed Consolidated Financial Statements

For the nine months ended March 31, 2022, and 2021

(Expressed in Canadian Dollars)

NOTICE TO THE READER

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

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim condensed consolidated financial statements by an entity's auditor.

May 26, 2022

FIRST RESPONDER TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		As at		
			March 31, 2022		June 30, 2021
ASSETS					
Current assets					
Cash and cash equivalents	4	**$**	**69,296**	$	53,657
Taxes Receivable			**19,738**		24,503
Prepaid expenses and deposits	7		**54,688**		57,221
			143,722		135,381
Non-current assets					
Equipment	5		**-**		41,670
TOTAL ASSETS		**$**	**143,722**	$	177,051
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	10	**$**	**817,697**	$	1,537,031
Due to related parties	13		**672,039**		-
Short-term loan	8		**100,000**		-
			1,589,736		1,537,031
Non-current liabilities					
Loan payable	9		**354,340**		337,405
Total liabilities			**1,944,076**		1,874,436
Shareholders' equity					
Share capital	11		**10,464,333**		10,329,385
Reserves			**802,994**		802,994
Deficit			**(13,067,681)**		(12,829,764)
Total equity			**(1,800,354)**		(1,697,385)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**$**	**143,722**	$	177,051

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board on May 26, 2022:

" Alfred Wong"	*"Michael Kelly"*
Alfred Wong, Director	Michael Kelly, Director

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

FIRST RESPONDER TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

		Nine months ended		Three months ended	
	Notes	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Expenses					
Management Fees	13	**$ 171,443**	$ 505,126	**$ 140,443**	$ 139,244
Professional fees	13	**108,070**	333,321	**46,731**	137,311
Office, telephone and miscellaneous		**53,962**	101,331	**34,801**	34,750
Consulting fees	13	**49,071**	225,283	**37,214**	140,727
Financing cost	8, 9	**34,365**	6,864	**25,626**	6,864
Transfer agent and filing fees		**29,893**	30,019	**17,161**	4,729
Advertising and promotion		**4,491**	89,858	**1,508**	28,727
Amortization	5	**-**	420,960	**-**	156,120
Investor Relations		**-**	205,664	**-**	18,000
Patents and licensing expenses		**-**	12,195	**-**	(4,426)
Rent		**-**	80,000	**-**	27,000
Research and development	12,13	**-**	1,479,712	**-**	160,618
Share based compensation	11,13	**-**	198,316	**-**	-
Net loss before other income (expense)		**451,295**	3,688,649	**303,484**	849,664
Other income (expense)					
Gain on debt settlements	11	**222,086**	-	**222,047**	-
Gain on debt forgiven		**18,900**	-	**18,900**	-
Foreign exchange gain		**13,989**	112,995	**12,927**	73,482
Interest income	8	**73**	3,129	**46**	-
Impairment of equipment	5	**(41,670)**	-	**(41,670)**	-
Gain on interest free Loan	9	**-**	137,265	**-**	137,265
Net loss for the period		**$ (237,917)**	$ (3,435,260)	**$ (91,234)**	$ (638,917)
Weighted average number of shares outstanding – basic and diluted		**70,701,810**	61,881,718	**73,160,398**	61,881,718
Loss per common share - basic and diluted		**$ (0.00)**	$ (0.06)	**$ (0.00)**	(0.01)

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

FIRST RESPONDER TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital (Note11)								
	Number of shares		Amount		Reserves		Deficit		Total
Balances, June 30, 2020	61,881,718	$	10,329,385	$	886,533	$	(7,709,999)	$	3,505,919
Share based compensation	-		-		198,317		-		198,317
Net loss for the period	-		-		-		(3,236,944)		(3,236,944)
Balances, March 31, 2021	61,881,718	$	10,329,385	$	1,084,850	$	(10,946,943)	$	467,292
Balances, June 30, 2021	61,881,718	$	10,329,385	$	802,994	$	(12,829,764)		(1,697,385)
Shares issued for debt settlements	5,977,458		134,948		-		-		134,948
Net loss for the period	-		-		-		(237,917)		(237,917)
Balances, March 31, 2022	**67,859,176**		**10,464,333**		**802,994**		**(13,067,681)**		**(1,800,354)**

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

FIRST RESPONDER TECHNOLOGIES INC.
Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the nine months ended	
	March 31, 2022	March 31, 2021
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Net loss for the period	**$ (237,917)**	$ (3,435,260)
Items not affecting cash:		
Amortization	**-**	420,960
Financing cost	**18,154**	6,864
Gain on debt settlement	**(222,086)**	-
Foreign exchange gain	**(13,989)**	(112,995)
Gain on interest-free loan	**-**	(137,265)
Share-based compensation	**-**	198,317
Impairment of intangible asset	**41,670**	-
Change in working capital balances:		
Decrease in taxes receivables	**4,765**	45,691
Decrease in prepaid expenses and deposits	**2,533**	111,383
Increase (decrease) in accounts payable and accrued liabilities	**(349,530)**	964,736
Increase in due to related parties	**672,039**	-
Increase in short-term loans	**100,000**	-
Cash provided by operating activities	**15,639**	(1,937,570)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	**-**	(5,319)
Cash used in investing activities	**-**	(5,319)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from loan	**-**	439,016
Cash provided by financing activities	**-**	439,016
Increase (decrease) in cash and cash equivalents	**15,639**	(1,503,873)
Cash and cash equivalents, beginning of period	**53,657**	1,548,903
Cash and cash equivalents, end of period	**$ 69,296**	$ 45,030

Supplemental cash flow information (Note 17)

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

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. On January 14, 2020, the Company completed its initial public offering ("IPO") and is now publicly traded on the Canadian Securities Exchange ("CSE") under the ticker WPN. The Company 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.

The principal business of the Company was the development of detection products and services based on WiFi-based detection technology that can be used to detect dangerous concealed weapons. The Company is currently exploring opportunities in this line of business.

The Company's registered and records office address is 725 – 6388 No.3 Road, Richmond, BC, V6Y 0L4. Its principal place of business is 725 – 6388 No.3 Road, Richmond, BC, V6Y 0L4.

These interim condensed consolidated financial statements (the "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 operating income. As at March 31, 2022, the Company has a deficit of $13,067,681 (June 30, 2021 – $12,829,764), a working capital deficit of $1,446,014 (June 30, 2021 – $1,401,650) and, for the nine months period ended March 31, 2022, incurred a net loss of $237,917 (2021 – $3,435,260). 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

Statement of compliance

These Financial statements were prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These Financial statements do not include all of the information required for full annual financial statements. These Financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended June 30, 2021.

In preparing these Financial Statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended June 30, 2021.

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

Basis of presentation

These Financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as 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.

Approval of the Financial statements

These Financial Statements were authorized for issue by the Audit Committee and Board of Directors on May 26th, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These Financial statements include the accounts of the Company and its subsidiary. Subsidiaries are those entities over which the Company has the power over an investee, has exposure to variable returns from the investee and can use its power over the investee to affect its returns. The financial accounts of the subsidiaries are included in these financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances are eliminated on consolidation.

The Company has 100% ownership in its sole subsidiary, First Responder Technologies (USA) Inc. which was incorporated on June 17, 2020, in the state of Delaware, USA.

When the Company ceases to control a subsidiary, assets, liabilities, and non-controlling interests of the subsidiary are derecognized at their carrying amounts at the date when control is lost. Investments retained in the former subsidiary are recognized at their fair value and any gain or loss resulting from deconsolidation is recorded through profit or loss.

Functional and presentation currency

The functional currency of the Company and its subsidiary is the Canadian dollar ("CAD"). Accounts denominated in currencies other than the Canadian dollar have been translated as follows:

- Monetary assets and liabilities at the exchange rate at the consolidated statements of financial position date;
- Non-monetary assets and liabilities at the historical exchange rates, unless such items are carried at fair value, in which case they are translated at the date when the fair value was determined.
- Shareholders' equity items at historical exchange rates; and
- Revenue and expense items at the rate of exchange in effect on the transaction date.

Exchange gains and losses arising from translation to the Company's presentation currency are recorded as foreign exchange loss (gain), which is included in profit or loss.

Use of estimates and judgments

The preparation of consolidated 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.

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.

Major areas that involve management estimates and judgements are estimates of accruals, and income tax, and judgements in relation to factors involved in the computation of share-based compensation, amortization, and intangibles.

(Expressed in Canadian Dollars)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, demand deposits with financial institutions, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of change in value. Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates. Cash equivalents are held in cashable guaranteed investment certificates with no fixed maturity date and an interest rate of 0.50%.

The Company's cash and cash equivalents at March 31, 2022 and June 30, 2021 are as follows:

		March 31, 2022		June 30, 2021
Cash held in bank accounts	**$**	**44,248**	$	28,657
Term deposits		**25,048**		25,000
	$	**69,296**	$	53,657

5. EQUIPMENT

		Exhibit Equipment		**Computer Equipment**		**R&D Equipment**		**Total**
Cost								
Balance June 30, 2020	$	59,337	$	26,761	$	1,783	$	87,881
Additions		-		5,319		-		5,319
Balance June 30, 2021		59,337		32,080		1,783		93,200
Written off		(59,337)		(32,080)		(1,783)		(93,200)
Balance March 31, 2022	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Accumulated Amortization								
Balance June 30, 2020	$	9,000	$	6,900	$	350	$	16,250
Amortization		19,680		14,760		840		35,280
Balance June 30, 2021		28,680		21,660		1,190		51,530
Written off		(28,680)		(21,660)		(1,190)		(51,530)
Balance March 31, 2022	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Carrying Amounts								
June 30, 2021	$	30,657	$	10,420	$	593	$	41,670
March 31, 2022	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**

6. INTANGIBLE ASSETS

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")

6. INTANGIBLE ASSETS (continued)

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 totalling US$150,000 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 totalling US$375,000 within three calendar years from the year in which the first commercial sale occurs.
- 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 (6,952,322 common shares issued during the year ended June 30, 2020, 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.

Furthermore, the agreement required that the Licensee enter into a Sponsored Research Agreement of at least US$800,000 (amended to US$180,000) with Rutgers which was executed during the year ended June 30, 2020.

On June 28, 2019, the Company entered into a license assignment agreement with Bullrun Capital Inc. (the "Rutgers License Assignment Agreement"), pursuant to which Bullrun Capital Inc. 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.

During the year ended June 30, 2021, the Company made the strategic decision to stop further development of its WiFi-based weapons detection technology while it reviews the technological feasibility of the project and other strategic alternatives. The license associated with the Rutgers License Assignment Agreement is in the process of being terminated. As a result, due primarily to the Company no longer having an intention to pursue this project, during the year ended June 30, 2021, indicators of impairment existed leading to a test of recoverable amount of the Rutgers License Assignment Agreement, which resulted in an impairment loss of $1,615,932. A value in use calculation is not applicable as the Company does not have any expected cash flows from using the intangible asset at this stage of operations. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $nil. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

(Expressed in Canadian Dollars)

6. INTANGIBLE ASSETS (continued)

		Rutgers License		**Total**
Cost				
Balance, June 30, 2020	$	2,478,356	$	2,478,356
Impairment		(2,478,356)		(2,478,356)
Balance, June 30, 2021 and March 31, 2022		-		-
Accumulated Amortization				
Balance, June 30, 2020		322,784		322,784
Amortization		539,640		539,640
Impairment		(862,424)		(862,424)
Balance, June 30, 2021 and March 31, 2022	$	-	$	-
Carrying Amounts				
June 30, 2021	$	-	$	-
March 31, 2022	**$**	**-**	**$**	**-**

7. PREPAID EXPENSES AND DEPOSITS

As at March 31, 2022, the Company has following amounts outstanding as prepaid expenses:

- The company paid deposit fees of $50,000 for future capital conferences. As at March 31, 2022, the Company has not received the services in relation to this deposit. The credit of the deposit is extended until December 2022.
- On January 13, 2022, the Company paid the Director and Officers liability insurance premium of $6,000 for 12 months till January 2023. As at March 31, 2022, $4,688 is outstanding as prepaid.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at March 31, 2022, the accounts payable and accrued liabilities of the Company consists of the following:

		March 31, 2022		June 30, 2021
Trade payable	**$**	**775,271**	$	1,479,749
Accrued liabilities		**42,426**		57,283
Total	**$**	**817,697**	$	1,537,032

9. SHORT-TERM LOAN

On August 24, 2021, the Company entered into a loan agreement with Justin Sangha to borrow $100,000 for a period of one (1) year maturing on August 24, 2022. The loan bear interest at a rate of 12% per annum and is computed on the principle outstanding from the date of advance until the loan is paid in full. Interest accrued till March 31, 2022, is $7,429.

(Expressed in Canadian Dollars)

10. LOAN PAYABLE

On October 10, 2020, the Company entered into a Regional Relief and Recovery Fund ("RRRF") Agreement with Western Economic Diversification Canada (the "RRRF Agreement"). The RRRF provides assistance to businesses and communities that may require additional support to cope with and recover from the COVID-19 pandemic and is part of Canada's COVID-19 Economic Response Plan.

During the year ended June 30, 2021, the RRRF Agreement provided the Company with an interest-free, repayable contribution from the government of $439,016 which is to be repaid in monthly instalments of $12,200 commencing January 31, 2023 and ending December 31, 2025.

The total amount of undiscounted future cash flows required to settle the RRRF obligation as at March 31, 2022 was $439,016. The future cash flows have been discounted using a rate of 8.50% for a period of 5 years.

		Amount
Balance, July 1, 2020	$	-
Additions		439,016
Discount		(112,903)
Accretion		11,292
Balance, June 30, 2021		337,405
Accretion		16,935
Balance, March 31, 2022	**$**	**354,340**

11. SHAREHOLDER'S EQUITY

Authorized

Unlimited number of common shares without par value.

Issued and outstanding

As at March 31, 2022, there are 67,961,022 shares issued and outstanding.

For the nine months ended March 31, 2022

On January 21, 2022, pursuant to the debt settlement agreements, the Company issued 2,898,154 common shares at par value of $0.02 per share in the share capital of the Company to settle an aggregate debt of $144,908. Accordingly, the Company recognized a gain of $86,944 on the settlement.

On September 24, 2021, pursuant to the debt settlement agreements, the Company issued 3,079,304 common shares at $0.025 per share in the share capital of the Company to settle an aggregate debt of $184,758. Accordingly, the Company recognized a gain of $107,775 on the settlement.

For the year ended June 30, 2021

No shares were issued during the year ended June 30, 2021.

(Expressed in Canadian Dollars)

11. SHAREHOLDER'S EQUITY (continued)

Common share warrants

The following table depicts the share warrants activity during the period ended March 31, 2022, and June 30, 2021:

	Number of warrants	Weighted average exercise price
Balance, June 30, 2020	-	$ -
Granted	11,593,829	0.50
Balance, June 30, 2021	11,593,829	0.50
Expired	(11,593,829)	-
Balance, March 31, 2022	-	-

Stock options

On July 11, 2019, the Company implemented an Incentive Stock Option Plan (the "Stock Option Plan"). Pursuant to the Stock Option 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 Stock Option Plan will be determined by the Board of Directors.

Following table depicts the share options activity during the period ended March 31, 2022, and June 30, 2021:

	Number of options	Weighted average exercise price
Balance at June 30, 2020	5,942,234	$ 0.20
Forfeited	(5,924,234)	-
Balance at June 30, 2021, and March 31, 2022	-	$ -

For the period ended March 31, 2022, the Company recorded share-based expense of $Nil (2021 – $49,011) in relation to stock options granted in prior years.

Restricted share units

On April 8, 2020, the Company implemented a Restricted Share Unit Plan (the "RSU Plan"). Pursuant to the RSU Plan, the Company will grant restricted share units ("RSUs") to directors, officers, employees and consultants for services, provided that the maximum number of common shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 20% of the common shares issued and outstanding from time to time, less any common shares reserved for issuance under all other share compensation arrangements, subject to adjustments as provided in the RSU Plan. The settlement and method of settlement and vesting terms of the RSUs granted under the RSU Plan will be determined by the Board of Directors.

(Expressed in Canadian Dollars)

11. SHAREHOLDER'S EQUITY (continued)

Restricted share units (continued)

RSUs activity was as follows:

	Equity settled
Balance at June 30, 2020	4,141,000
Granted[1]	1,200,000
Forfeited	(5,340,000)
Balance at June 30, 2021, and March 31, 2022	-

The estimated fair value of the equity settled RSUs granted during the nine months ended March 31, 2022, was $Nil (2021 – $148,000) and was based on the fair market value of one common share on the date of issuance, which will be recognized as an expense over the vesting period of the RSUs.

During the nine months ended March 31, 2022, the Company recorded an expense of $Nil (2021 – $149,305) in relation to the vesting of equity settled RSUs.

12. RESEARCH AND DEVELOPMENT

Details of research and development expenses are as follows:

		March 31, 2022		March 31, 2021
WiFi-based weapons detection – third party research and development	$	-	$	1,202,769
WiFi-based weapons detection – in-house research and development		-		276,943
	$	-	$	1,479,712

13. 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.

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

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS (continued)

As at March 31, 2022, $672,039 (June 30, 2021 – $54,057) was due to directors and officers of the Company.

		As at		
		March 31, 2022		June 30, 2021
Company controlled by the CEO	**$**	**2,779**	$	-
CFO		**2,000**		4,725
Director		**3,150**		6,000
Company controlled by a director		**952**		-
Company controlled by former CEO		**310,782**		-
Company controlled by former CFO		**-**		24,184
Company controlled by former CTO		**-**		12,688
Companies controlled by former directors		**-**		6,460
Party related to former CEO		**352,376**		-
	$	**672,039**	$	54,057

During the period ended March 31, 2022, the Company entered into the following transactions with related parties:

		Nine months ended		
		March 31, 2022		March 31, 2021
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:				
Management fees	**$**	**177,443**	$	235,500
Consulting fees		**37,981**		345,258
Professional fees		**16,570**		-
Share based compensation		-		145,540
	$	**231,994**	$	726,298

Management fees were paid or accrued to the following:

		Nine months ended		
		March 31, 2022		March 31, 2021
Company controlled by CEO	**$**	**1,726**	$	-
CFO		**28,000**		-
Former CEO		**147,717**		127,500
Former CFO		**-**		108,000
	$	**177,443**	$	235,500

Consulting fees were paid or accrued to the following:

		Nine months ended		
		March 31, 2022		March 31, 2021
Company controlled by CEO	**$**	**921**	$	-
Director		**27,000**		4,000
Company controlled by director		**8,571**		-
Company controlled by former CEO		**1,489**		-
Key management personnel- former CTO		**-**		201,258
Former director		**-**		1,000
Companies controlled by former director		**-**		139,000
	$	**37,981**	$	345,258

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS (continued)

Professional fees were paid or accrued to the following:

	Nine months ended	
	March 31, 2022	March 31, 2021
CFO	**$ 16,570**	$ -
	$ 16,570	$ -

During the nine months ended March 31, 2022, $Nil (2021 – $23,801) and $Nil (2021 – $122,995) were included in share-based payments for stock options and RSU's granted to related parties, respectively.

On September 23, 2021, the Company entered into a debt assignment agreement with an existing vendor whereby a total of $352,376 in debt was assigned to a party related to the former CEO of the Company.

On January 21, 2022, the Company received $100,000 from the former CEO of the Company as loan and issued a promissory note for $110,000 due to be payable on demand. The difference of $10,000 is recorded as finance cost.

14. RISK MANAGEMENT

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 and cash equivalents. The Company is not exposed to significant credit risk as its cash and cash equivalents are placed with a major Canadian financial institution.

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 March 31, 2022, the Company had a cash and cash equivalent balance of $69,296 (June 30, 2021 – $53,657) available to apply against short-term business requirements and current liabilities of $1,589,736 (June 30, 2021 – $1,537,031). All the liabilities presented as accounts payable and accrued liabilities are due within 90 days of March 31, 2022. The short-term loans, along with the interest, is to be repaid within 1 year from the period ended March 31, 2022 (Note 8).

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.

15. CAPITAL MANAGEMENT

The Company has recently commenced operations and does not generate cash flows from operations. It has not yet determined whether it will be successful in its endeavours. The Company's primary source of funds comes from the issuance of common shares and external debt financing.

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

(Expressed in Canadian Dollars)

16. CAPITAL MANAGEMENT (continued)

The Company defines its capital as shareholders' equity (deficiency). 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. Since currently, the Company does not have any revenue generating operations, the management has focused on managing the cash outflows by limiting the operating expenses. Accordingly, there was significant decrease in the expenses during the nine months ended March 31, 2022, as compared to the corresponding period in the previous year.

17. SEGMENTED INFORMATION

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

18. COVID-19

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness.

The COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company's business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of the Financial Statements, there may be further significantly adverse impact on the Company's financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated. The pandemic has had little effect as the Company does not have significant operations and is evaluating projects.

17. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash financing transactions during the periods ended March 31, 2022, and 2021:

	For nine months ended	
	March 31, 2022	March 31, 2021
Non-cash financing activities:		
Shares issued for debt settlements	**$ 134,948**	$ -
Fair value of stock options vested	**$ -**	$ 198,317