FIRST RESPONDER TECHNOLOGIES INC.

Interim Condensed Financial Statements

For the three months ended September 30, 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 financial statements, they must be accompanied by a notice indicating that the unaudited interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim condensed financial statements by an entity's auditor.

FIRST RESPONDER TECHNOLOGIES INC.
Interim Condensed Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Notes	As at September 30, 2022		June 30, 2022	
ASSETS					
Current assets					
Cash and cash equivalents	4	**$**	**49,940**	$	101,057
Taxes receivable			**2,728**		3,281
Prepaid expenses and deposits			**1,688**		4,722
			54,356		109,060
TOTAL ASSETS		**$**	**54,356**	$	109,060
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**829,457**	$	806,046
Due to related parties	10		**805,719**		782,169
Short-term loan	7		**114,057**		110,676
Loan payable	8		**439,016**		439,016
Total liabilities			**2,188,249**		2,137,907
Shareholders' deficiency					
Share capital	9		**10,464,333**		10,464,333
Reserves			**802,994**		802,994
Deficit			**(13,401,220)**		(13,296,174)
Total deficiency			**(2,133,893)**		(2,028,847)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**$**	**54,356**	$	109,060

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board on November 18, 2022:

" Kulwant Malhi"	*"Michael Kelly"*
Kulwant Malhi, Director	Michael Kelly, Director

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

FIRST RESPONDER TECHNOLOGIES INC.
Interim Condensed Statements of Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		Three months ended	
	Notes	**September 30, 2022**	September 30, 2021
Expenses			
Management fees	10	**$ 47,250**	$ 29,500
Consulting fees	10	**13,905**	11,857
Professional fees	10	**19,841**	23,687
Transfer agent and filing fees		**4,864**	3,894
Financing cost	7, 8	**3,381**	6,864
Office, telephone and miscellaneous		**2,117**	2,920
Advertising and promotion		**-**	1,291
Net loss before other income (expense)		**91,358**	80,013
Other income (expense)			
Foreign exchange gain (loss)		**(13,716)**	9,860
Interest income		**28**	25
Gain on debt settlements	9	**-**	107,775
Gain on debt forgiven		**-**	18,900
Other income		**-**	27,328
Impairment of intangible asset	6	**-**	(41,670)
Net loss		**$ (105,046)**	$ 42,205
Weighted average number of shares outstanding – basic		**67,859,176**	64,961,022
Weighted average number of shares outstanding – diluted		**67,859,176**	73,066,049
Earnings (loss) per common share – basic and diluted		**$ (0.00)**	$ 0.00

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

First Responder Technologies Inc.
Interim Condensed Statements of Changes in Equity (Deficiency)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		Share capital (Note 9)				
	Note	Number of shares	Amount	Reserves	Deficit	Total
Balances, June 30, 2021		61,881,718	$ 10,329,385	$802,994	$ (12,829,764)	$ (1,697,385)
Shares issued for debt settlements	9	3,079,304	76,983	-	-	76,983
Net income for the period		-	-	-	42,005	42,005
Balances, September 30, 2021		64,961,022	$ 10,406,368	$802,994	$ (12,787,759)	$ (1,578,397)
Balances, June 30, 2022		67,859,176	$ 10,464,333	$802,994	$ (13,296,174)	(2,028,847)
Net loss for the period		-	-	-	(105,046)	(105,046)
Balances, September 30, 2022		**67,859,176**	**10,464,333**	**802,994**	**(13,401,220)**	**(2,133,893)**

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

First Responder Technologies Inc.
Interim Condensed Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended	
	September 30, 2022	September 30, 2021
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	**$ (105,046)**	$ 42,205
Items not affecting cash:		
Financing cost	**-**	6,864
Debt Forgiven	**-**	(107,775)
Foreign exchange gain	**-**	(9,860)
Impairment of intangible asset	**-**	41,670
Change in working capital balances:		
Increase (decrease) in accounts payable and accrued liabilities	**23,411**	(459,499)
Increase in short-term loans	**3,381**	100,000
Decrease in prepaid expenses and deposits	**3,034**	7,221
Increase in due to related parties	**23,550**	424,233
Decrease in taxes receivables	**553**	20,582
Cash used in operating activities	**(51,117)**	65,641
CASH FLOWS USED IN INVESTING ACTIVITIES		
Cash used in investing activities	**-**	-
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Cash provided by financing activities	**-**	-
Increase (decrease) in cash and cash equivalents	**(51,117)**	65,641
Cash and cash equivalents, beginning of period	**101,057**	53,657
Cash and cash equivalents, end of period	**$ 49,940**	$ 119,298

Supplemental cash flow information – Note 14

The accompanying notes are an integral part of these interim condensed 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 1500 Royal Centre, 1055 West Georgia Street, PO box 11117, Vancouver, BC, V6G 2Z6, and principal place of business address is 10589 Ladner Trunk Road, Delta, BC, V4G 1K2.

These 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 September 30, 2022, the Company has an accumulated deficit of $13,401,220 (June 30, 2022 - $13,296,174), a working capital deficit of $2,133,893 (June 30, 2022 - $2,028,847) and, for the period ended September 30, 2022, incurred a net loss of $105,046 (2021 – Net income of $42,205). 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.

The Company had 100% ownership in its sole subsidiary, First Responder Technologies (USA) Inc., which was incorporated on June 17, 2020, in the state of Delaware, USA. During the year ended June 30, 2022, the management decided to discontinue its sole subsidiary and on June 14, 2022, the dissolution of this subsidiary was authorized.

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.

2. BASIS OF PRESENTATION

(a) 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, 2022.

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, 2022.

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 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 18, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with financial institutions and a cashable guaranteed investment certificate that are readily convertible into known amount of cash and subject to an insignificant risk of change in value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments

(i) Financial assets

<u>*Initial recognition and measurement*</u>

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, measured at fair value through profit or loss or measured at fair value through other comprehensive income. The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument.

<u>*Subsequent measurement*</u>

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 consolidated statements of financial position at fair value with changes in fair value therein, recognized in the consolidated statements of comprehensive loss. The Company classifies cash and cash equivalents 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 remain within accumulated other comprehensive income when the financial instrument is derecognized or its fair value substantially decreases.

There are no financial assets classified as measured at FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(i) Financial assets (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 include accounts payable and accrued liabilities, due to related parties, short-term loan and the loan payable, and all of which are 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 cash equivalents, accounts payable and accrued liabilities, due to related parties and short-term loan. Their carrying values approximate the fair values due to short-term maturity of these instruments. The loan is classified as level 3.

(d) Equipment

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Equipment (continued)

(iii) Fair value hierarchy (continued)

The Company utilizes the straight-line method of depreciation. The depreciation rates applicable to each category of equipment are as follows:

Exhibit equipment	straight-line basis 3 years
Computer equipment	straight-line basis 2 years
Research & development equipment	straight-line basis 2 years

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment.

The depreciation method, useful life and residual values are assessed annually. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statements of comprehensive loss.

(e) Intangible assets

Licenses acquired separately are measured on initial recognition at fair value, which includes the estimated fair value of any contingent consideration. Subsequent changes to the value of contingent consideration on settlement are capitalized to the associated intangible asset.

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.

At each reporting date, the Company assesses whether there is objective evidence that the licenses are impaired. If such evidence exists, the Company will determine the recoverable value and recognize an impairment loss, if necessary. 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.

(f) 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. Where the Company issued common shares and warrants together as units, value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Share-based payments

The Company has a stock option plan and a restricted share unit plan which are described in Note 9. Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date. The fair value of stock options is measured using Black Scholes option pricing model. Restricted share units are measured using the fair value of the shares on the date of grant. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserve.

Reserves consists of the fair value of stock options, warrants and restricted share units granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted options or warrants vest and then subsequently expire, no reversal of reserve is recognized.

(h) 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.

(i) 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. The Company nets investment tax credits and government assistance against applicable expenditures when there is reasonable assurance that the income tax credits will be realized. As at September 30, 2022, the Company has not capitalized any research and development costs.

(j) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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.

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 and equipment require 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.

Share-based payments

The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the goods or services for share-based payments made to those other than employees or others providing similar services.

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted for share-based payments made to employees or others providing similar services. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the fair value of the underlying common shares, the expected life of the share option or warrant, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are discussed in Note 9.

Discount rate on loan

The Company has applied estimates with respect to the discount rate utilized in calculating the present value of future cash flows for the loan. Management estimates the discount rate based on comparable market rate loans with third parties.

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

Going concern

The assessment of whether the going 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.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Use of estimates and judgments (continued)

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 September 30, 2022.

Recoverability of intangible assets and equipment

The Company assesses at each reporting date if intangibles and equipment 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.

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 0.35%.

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

	September 30, 2022	June 30, 2022
Cash held in bank accounts	**$ 24,930**	$ 75,987
Term deposits	**25,010**	25,070
	$ 49,940	$ 101,057

5. EQUIPMENT

	Exhibit Equipment	**Computer Equipment**	**R&D Equipment**	**Total**
Cost				
Balance June 30, 2021	$ 59,337	$ 32,080	$ 1,783	$ 93,200
Written Off	(59,337)	(32,080)	(1,783)	(93,200)
Balance June 30, 2022	-	-	-	-
Impairment	-	-	-	-
Balance September 30, 2022	**$ -**	**$ -**	**$ -**	**$ -**
Accumulated Amortization				
Balance June 30, 2021	$ 28,680	$ 21,660	$ 1,190	$ 51,530
Impairment	(28,680)	(21,660)	(1,190)	(51,530)
Balance June 30, 2022	-	-	-	-
Balance September 30, 2022	**$ -**	**$ -**	**$ -**	**$ -**

5. EQUIPMENT (continued)

During the year ended June 30, 2022, management determined that its equipment was no longer being used as a result of the license terminations discussed in Note 6. As such, indicators of impairment existed leading to a test of recoverable amount of the equipment, which resulted in an impairment loss of $41,670. A value in use calculation is not applicable as the Company does not have any expected cash flows from using the equipment. 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.

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").

On June 12, 2019, Bullrun Capital Inc. ("Licensee") 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").

The agreement also 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, held 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. Having no intention to pursue this project, the Company impaired the related intangible and recorded 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.

7. SHORT-TERM LOAN

On August 24, 2021, the Company entered into a loan agreement with an arm's length party to borrow $100,000 for a period of one (1) year maturing on August 24, 2022. The loan bears interest at a rate of 12% per annum and is computed on the principal outstanding from the date of advance until the loan is paid in full. As at September 30, 2022, principal of $100,000 and interest of $14,057 is still outstanding.

8. 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.

(Expressed in Canadian Dollars)

8. LOAN PAYABLE (continued)

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 Company discounted the RRRF loan using a rate of 8.50% for a period of five years and recognized a gain of $112,903 as a result of the imputed interest benefit received from the interest-free RRRF loan.

During the prior year ended June 30, 2022, management determined the Company was not in compliance with certain provisions of the loan due to the strategic decision to stop development activity as discussed in Note 6. As a result, the entire balance is classified as current and the loan was accreted to its face value.

The total amount of undiscounted future cash flows required to settle the RRRF obligation as at September 30, 2022 was $439,016.

		Amount
Balance, September 30, 2021	$	-
Additions		439,016
Discount		(112,903)
Accretion		112,903
Balance, June 30, 2022		439,016
Accretion		-
Balance, September 30, 2022	**$**	**439,016**

9. SHAREHOLDER'S EQUITY

Authorized

Unlimited number of common shares without par value.

Issued and outstanding

As at September 30, 2022, there are 67,859,176 shares issued and outstanding.

For the three months ended September 30,2022

There were no shares issued during the period ended September 30, 2022.

For the year ended June 30, 2022

On January 21, 2022, pursuant to the debt settlement agreements, the Company issued 2,898,154 common shares at fair value of $0.02 per share in the share capital of the Company to settle an aggregate debt of $144,909. Accordingly, the Company recognized a gain of $86,945 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 $184,759. Accordingly, the Company recognized a gain of $107,775 on the settlement.

In addition, the Company negotiated forgiveness of accounts payable and accrued liabilities with certain parties which resulted in $46,266 (2021 - $Nil) of debt being forgiven during the year ended June 30, 2022. $18,900 of the forgiven amount was with a shareholder and was recorded directly in deficit. As such, the remaining $27,366 was recorded as a gain on debt forgiveness.

(Expressed in Canadian Dollars)

9. SHAREHOLDER'S EQUITY (continued)

Share warrants

For the three months ended September 30,2022

There were no share transactions during the period ended September 30, 2022.

For the year ended June 30, 2022

During the year ended June 30, 2022, the aggregate of 11,593,829 outstanding share warrants expired unexercised.

The following table depicts the share warrants activity during the years ended September 30, 2022, and June 30 2022:

	Number of warrants	Weighted average exercise price
Balance outstanding, June 30, 2021	11,593,829	0.50
Expired	(11,593,829)	-
Balance outstanding, June 30, and Sept 30, 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 five years. The exercise price and vesting terms of the options granted under the Stock Option Plan will be determined by the Board of Directors.

For the three months ended September 30, 2022

There were no share option transactions during the period ended September 30, 2022.

For the years ended June 30, 2022

There were no share option transactions during the year ended June 30, 2022.

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.

During the three months ended September 30, 2022, the Company had no transactions in relation to equity settled restricted stock units.

(Expressed in Canadian Dollars)

10. 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 are unsecured, non-interest-bearing and are without fixed terms of repayment.

As at September 30, 2022, $805,719 (June 30, 2022 - $782,169) was due to directors and officers of the Company.

	As at			
	September 30, 2022		June 30, 2022	
Company controlled by Chief Executive Officer ('CEO')	**$**	**436,205**	$	417,205
Company controlled by the Chief Financial Officer ('CFO')		**5,500**		4,500
Corporate development officer		**3,500**		-
Director		**3,150**		3,150
Company controlled by a director		**1,050**		1,000
Company controlled by former CEO		**3,938**		3,938
Party related to CEO		**352,376**		352,376
	$	**805,719**	$	782,169

During the three months ended September 30, 2022 and 2021, the Company entered into the following transactions with related parties:

	Three months ended			
	September 30, 2022		September 30, 2021	
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:				
Management fees	**$**	**47,250**	$	29,500
Consulting fees		**11,905**		11,857
Professional fees		**6,500**		2,000
	$	**65,655**	$	43,357

Management fees were paid or accrued to the following:

	Three months ended			
	September 30, 2022		September 30, 2021	
CEO	**$**	**22,500**	$	22,500
CFO		**10,500**		7,000
Corporate development officer		**10,500**		-
Company controlled by former CEO		**3,750**		-
	$	**47,250**	**$**	**29,500**

Consulting fees were paid or accrued to the following:

	Three months ended			
	September 30, 2022		September 30, 2021	
Company controlled by CEO	**$**	**-**	$	-
Director		**9,000**		9,000
Company controlled by director		**2,905**		2,857
	$	**11,905**	**$**	**11,857**

10. RELATED PARTY TRANSACTIONS (continued)

Professional fees of $6,500 were incurred towards a Company controlled by the CFO (2021 - $2,000).

On April 29, 2022, the Company received $100,000 from the CEO of the Company as loan and issued a promissory note for $100,000 due to be payable on demand.

On January 21, 2022, the Company received $100,000 from the 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 financing cost.

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.

11. 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.

As at September 30, 2022, the Company had a cash and cash equivalent balance of $49,940 (June 30 2022 - $101,057) available to apply against short-term business requirements and current liabilities of $2,188,249 (June 30, 2022 - $2,137,907). All the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2022. The short-term loan, along with the interest, is to be repaid within one year from the period ended September 30, 2022 (Note 7). Amounts due to the related parties are without term and are payable on demand. The loan payable is due on demand as described in 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.

12. 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.

The Company defines its capital as shareholders' deficiency and loans. 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.

There have been no changes to the Company's approach to capital management during the period ended September 30, 2022. There are no externally imposed restrictions on the Company's capital.

14. SUPPLEMENTAL CASH FLOW INFORMATION

The Company had no supplemental cash flow information to report for period ended September 30, 2022 (2021 - $Nil).

15. LEGAL JUDGEMENTS

On August 19, 2022, a claim was filed in the Provincial Court of British Columbia (Small Claims Court) by Alfred & Company Advisors Inc. ("ACO") against First Responder Technologies Inc. ("FRT"). On March 24, 2022, ACO and FRT entered into a management consulting agreement (the "FRT Contract"). The August 19 claim was for unpaid fees for the months of March to July 2022 pursuant to the FRT Contract, as well as payments in the event of termination without just cause. The amount claimed was $35,000, plus an extra $266 for filing and service fees, for a total amount claimed of $35,266. The Company intends to defend against these claims and cannot at this time determine the outcome.

16. SEGMENTED INFORMATION

As at September 30, 2022, the Company has one operating segment, technology development. All assets of the Company are located in Canada.

17. SUBSEQUENT EVENTS

On October 7, 2022, the Company received a notice of default on the loan which was received through the Regional Relief and Recovery Fund (RRRF) which had a repayable balance of $439,016.

On October 13, 2022, the Company entered into a loan agreement with a company controlled by CEO of the Company for $50,000. The loan does not bear interest and is due on demand.

On October 20, 2022, the Company received a formal notice of termination for breach of license agreement with Rutgers (Note 6). Upon the termination date, all rights granted immediately revert to Licensors, all property belonging to Licensors, including Licensors Technology that has been provided to FRT or its Sublicensees and all copies thereof and derivatives therefrom shall be returned to Licensors, and FRT loses the rights to practice the Licensors Patent Rights or Licensors Technology.