PR Technology Inc.

Condensed Interim Consolidated Financial Statements

For the nine-month period ended September 30, 2021

(Unaudited)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The Company’s external auditors, MNP, LLP, have not performed a review of these condensed consolidated financial statements.

PR Technology Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
As at:

		September 30, 2021 (Unaudited)		December 31, 2020 (Restated) (Note 5,14)
Assets				
Current				
Cash and cash equivalents	**$**	**1,165,853**	$	2,588,801
GST receivable		**22,114**		
Receivables		**21,399**		4,951
Prepaid expenses and other current assets		**21,898**		7,598
Total current assets		**1,231,264**		2,601,350
Non-current				
Deposits		**101,077**		86,628
Equipment (Note 6)		**329,893**		383,105
Intangible assets (Note 7)		**1,025,250**		1,307,874
Right-of-use assets (Note 8)		**100,283**		108,482
Total assets	**$**	**2,787,767**	$	4,487,439
Liabilities and Shareholders' Equity (Deficiency)				
Current liabilities				
Accounts payable and accruals	**$**	**272,882**	$	221,807
Note payable (Note 9)		**2,000**		2,000
Due to related parties (Note 10)		**1,000**		1,000
Current portion of long-term borrowing (Note 14)		**-**		71,293
Lease liability – current (Note 8)		**70,427**		91,079
Total current liabilities		**346,309**		387,179
Non-current liabilities				
Long-term borrowings (Note 14)		**-**		202,969
Provision for severance (Note 14)		**-**		103,383
Defined benefit liabilities		**52,293**		-
Lease liability – non-current (Note 8)		**28,850**		23,827
Total liabilities	**$**	**427,452**	$	717,358
Shareholders' equity				
Share capital	**$**	**4,620,427**	$	--
Net investment		**-**		12,448,054
Contributed surplus		**8,723,739**		-
Share-based payment reserve		**114,329**		
Accumulated other comprehensive loss		**(204,355)**		(215,022)
Deficit		**(10,893,825)**		(8,462,951)
Total shareholders' equity		**2,360,315**		3,770,081
Total liabilities and shareholders' equity	**$**	**2,787,767**	$	4,487,439

Nature of operations and going concern *(Note 1)*

Approved on behalf of the Board of Directors

"Signed" **Director**

"Signed" **Director**

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

PR Technology Inc.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)
For the nine-month and three-month periods ended September 30, 2021 and 2020:

		Nine months ended September 30, 2021		Nine months ended September 30, 2020 (Note 14)		Three months ended September 30, 2021		Three months ended September 30, 2020 (Note 14)
Revenue	**$**	**8,204**	$	-	**$**	**2,728**	$	-
Cost of sales		**7,905**		-		**2,541**		-
Gross profit		**299**		-		**187**		-
Expenses:								
Amortization and depreciation (Notes 6, 7, 8)		**476,249**		440,840		**163,968**		143,211
Consulting fees (Note 11)		**335,268**		-		**-**		-
General and administrative		**88,268**		206,124		**13,969**		77,051
Professional fees		**436,364**		-		**115,378**		-
Research and development		**191,924**		184,724		**58,793**		50,116
Transfer agent and filing fees		**14,092**		-		**8,265**		-
Travel and entertainment		**80,430**		-		**24,213**		-
Wages and benefits		**598,295**		503,203		**196,763**		164,787
		2,220,790		1,334,891		**581,349**		435,165
Operating loss		**(2,220,491)**		(1,334,891)		**(581,162)**		(435,165)
Non-operating income (expenses)								
Interest income		**285**		-		**37**		-
Interest expenses		**(7,319)**		(13,340)		**(2,234)**		(4,594)
Other non-operating income (expense)		**1,226**		3,438		**(5)**		1
		(5,808)		(9,902)		**(2,202)**		(4,593)
Net loss	**$**	**(2,226,299)**		(1,344,793)		**(583,364)**	$	(439,758)
Other comprehensive loss								
Foreign exchange gain (loss)		**(6,578)**		(6,188)		**4,070**		1,124
Comprehensive loss	**$**	**(2,232,877)**		(1,350,979)		**(579,294)**	$	(438,634)
Net loss per share								
Basic and diluted	**$**	**(0.05)**	$	(13,447.93)	**$**	**(0.01)**	$	(4,397.58)
Weighted average number of shares								
Basic and diluted		**44,529,285**		100		**96,480,000**		100

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

PR Technology Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Capital Stock										
	Number of common shares		Share capital		Net investment		Accumulated other comprehensive loss		Deficit		Total shareholders' equity
As at December 31, 2019	100	$	100	$	7,923,180	$	(266,340)	$	(6,619,989)	$	1,036,851
investment	-		-		1,348,633		-		-		1,348,633
Foreign exchange loss	-		-		-		(6,186)		-		(6,186)
Net loss	-		-		-		-		(1,344,793)		(1,344,793)
As at September 30, 2020	**100**	**$**	**100**		**9,271,813**	**$**	**(272,526)**	**$**	**(7,964,782)**	**$**	**1,034,505**

	Capital Stock												
	Number of common shares		Share capital		Net investment / Contributed surplus		Share-based payment reserve		Accumulated other comprehensive loss		Deficit		Total shareholders' equity
As at December 31, 2020	100	$	100	$	12,448,054	$	-	$	(215,022)	$	(8,462,951)	$	3,770,181
Shares cancelled for asset transfer	(100)		(100)		-				-		-		(100)
Shares issued for asset transfer (Note 5)	96,480,000		4,399,488		(12,448,054)				17,245		(204,575)		(8,235,896)
Contributed surplus on asset transfer	-				8,723,739				-		-		8,723,739
Subscription receipts to Columbia Capital	-		220,939				114,329		-		-		335,268
Foreign exchange loss	-		-		-				(6,578)		-		(6,578)
Net loss	-		-		-				-		(2,226,299)		(2,226,299)
As at September 30, 2021	**96,480,000**	**$**	**4,620,427**	**$**	**8,723,739**	**$**	**114,329**	**$**	**(204,355)**	**$**	**(10,893,825)**	**$**	**2,360,315**

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

(Expressed in Canadian Dollars)

	September 30, 2021	September 30, 2020 (Note 14)
Cash provided by the following activities:		
Operating activities		
Net loss	**$ (2,226,299)**	$ (1,344,793)
Items not affecting cash:		
Amortization and depreciation	**476,249**	440,840
Consulting fees incurred for subscription receipts	**335,268**	-
Interest and accretion	**7,319**	7,508
Gain on termination of lease	**-**	(3,291)
Items not transferred upon asset transfer	**110,098**	-
Change in non-cash working capital:		
GST receivable	**(16,448)**	-
Receivables	**(22,114)**	64,717
Prepaid expenses and other current assets	**(14,300)**	(28,797)
Deposit	**(14,449)**	-
Defined benefit liabilities	**52,293**	25,336
Accounts payable and accruals	**51,075**	(284,357)
Cash flows used in operating activities	**(1,261,308)**	(1,122,837)
Investing activities:		
Collection of key money deposits	**-**	20,289
Acquisition of property and equipment	**(57,892)**	-
Acquisition of intangible assets	**(2,487)**	(2,298)
Cash flows provided by (used in) investing activities	**(60,379)**	17,991
Financing activities:		
Net investment	**-**	1,348,633
Repayment of borrowings	**-**	(10,099)
Lease payments	**(84,648)**	(79,797)
Payment of defined benefit liabilities	**-**	(49,050)
Cash flows (used in) provided by financing activities	**(84,648)**	1,209,687
Foreign exchange	**(16,613)**	1,851
Increase (decrease) in cash and cash equivalents	**(1,423,048)**	106,692
Cash, beginning of period	**2,588,801**	1,899
Cash, end of period	**$ 1,165,853**	$ 108,591

1. Nature of operations and going concern

PR Technology Inc. (the "Company") was incorporated on April 23, 2019, by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia).

On May 27, 2021, the Company completed an asset transfer arrangement with a company under common control, whereby it acquired patents of wireless power transfer technology and obtained control over its wholly- owned subsidiary, PRT Korea Inc (Note 5). As a result of this acquisition, the Company is in the business of research and development of wireless power transfer technology. The Company has accounted for the common control transaction under pooling interest method whereby the condensed interim consolidated financial statements have been retrospectively restated as if the businesses had always been combined.

The head office and registered office of the Company is located at 1001, 1166 Alberni St., Vancouver British Columbia, V6E 3Z3.

Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. As of September 30, 2021, the Company has a positive working capital balance of $884,955, and for the nine month period then ended, cash flows used in operations of $1,261,308 and a net loss of $ 2,226,299. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity or other financing to meet obligations as they come due. The ability of the Company to be successful in obtaining financing cannot be predicted at the present time. These condensed interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The Company's continuation as a going concern is dependent upon its ability to secure new financing arrangements and new equity issuances. There is no assurance that new capital will be available and if it is not, the Company may be forced to substantially curtail or cease operations. Although the use of the going concern assumption is appropriate, there can be no assurance that any steps the Company takes will be successful. To mitigate the working capital deficiency, the Company plans to raise capital through equity issuance

The novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company's future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

2. Basis of preparation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The condensed interim consolidated financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2020 of the Company and the carve-out financial statements of Power Republic Inc. which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's financial statements and Power Republic Inc.'s carve-out financial statements for the year ended December 31 2020.

These condensed interim consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on November 26th, 2021.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, PRT Korea Inc. A subsidiary is fully consolidated from the date on which control is obtained and is de-consolidated from the date that control ceases. All inter-company balances and transactions have been eliminated on consolidation.

Functional and presentation currency

The functional currency of the Company is Canadian dollars, and all amounts are presented in Canadian dollars unless otherwise stated. The functional currency of the Company's wholly owned subsidiary, PRT Korea Inc., is the Korean Won.

Basis of measurement

These condensed interim consolidated financial statements are prepared on the historical cost basis except for certain financial instruments and share-based payments which have been accounted for at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting.

Use of estimates and judgments

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 4.

3. Significant accounting policies

The accounting policies set out in the audited condensed interim consolidated financial statements for the year ended December 31, 2020 have been applied consistently to all periods presented in these condensed interim condensed interim consolidated financial statements, except for the following new standards which have been adopted this period:

Asset transfer arrangement

The Company has accounted for the asset transfer arrangement as a business combination under common control, since the company receiving the assets, and the company transferring the assets, were owned by the same shareholders, and had the same management at the time of the transfer. As a result, no accounting acquirer can be identified under IFRS 3. The primary reason of the asset transfer was to create an entity that would use the transferred assets to generate business operations. The Company used the pooling of interests method to account for the combination, whereby the assets and liabilities acquired were recorded at book value. The comparative periods shown on these financial statements have been prepared using the carve-out financial information that reflects the financial position, results of operations and cash flows which were transferred to the Company in May 2021. Share consideration is valued at the fair value of the shares issued with the difference from the book value applied to contributed surplus or charged to deficit..

Comparative figures

The comparative periods shown on these financial statements have been prepared using the carve-out financial information that reflects the financial position, results of operations and cash flows as if the asset transfer had taken place at the beginning of the earliest comparative period presented.

Share Capital

In situations where the Company issues units, the value of units is bifurcated and the value of warrants is included as a separate reserve for warrants of the Company’s equity. The consideration from the issuance of units are allocated between common shares and warrants on a pro-rated basis using the relative fair value method. The fair value of the common shares is determined using the fair value of the share price at the date of issuance of the units. The fair value of the warrants is determined using Black-Scholes.

Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. Significant accounting policies

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization will be recognized on a basis and over an estimated useful life which approximates the life of the asset to the Company. The estimated useful life and amortization method will be reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally generated intangible assets - Research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and,
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

3. Significant accounting policies (continued)

Intangible assets (continued)

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Patents and software

It is the Company's practice to seek patent protection on processes and products. The Company capitalizes the costs incurred for patent applications filed and pending approval. Patents are carried at cost less accumulated amortization and accumulated impairment losses. Amortization for patents and software is recognized on a straight-line basis over the estimated useful life of 5 years.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Property and equipment

Property and equipment is stated at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is recorded to recognize the cost of assets over their useful lives, using the straight-line method over seven years.

When a property and equipment asset has significant components with different useful lives, each significant component is depreciated separately.

The estimated useful lives and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation rates are as follows:

Class	Useful life
Machinery	5 years
Vehicles	5 years
Office equipment	5 years

An item of property and 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 the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Repairs and maintenance costs that do not improve or extend productive life are recognized in profit or loss in the period in which the costs are incurred.

3. Significant accounting policies (continued)

Leases

Pursuant to IFRS 16, and the Corporation recognizes a Right-of-use asset and Lease obligation at the start of most leases utilizing the present value of the lease payments over the appropriate term of the lease. This policy does not apply to leases for which the lease term ends within 12 months of the date of initial application or for leases of low value. Lease payments related to these short-term or low-value leases are expensed over the lease term.

Under this policy, appropriate leases are capitalized at the present value of the fixed lease payments, discounted using the Corporation's incremental borrowing rate. The primary application of IFRS 16 occurred January 1, 2019, related to leases on the Corporation's facilities. Payments made related to contractual lease obligations are allocated between related interest expense and the reduction of the lease obligations. The Right-of-use assets are depreciated on a straight-line basis over the term of the related leases.

4. Significant accounting estimates and assumptions

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

New estimates and judgements, other than those previously disclosed in the annual financial statements for the year ended December 31, 2020 are as follows:

Allocations

Determining the appropriate amounts of certain corporate expenses and balances to allocate requires significant management estimates with respect to the identification of the allocation base and overall methodology applied to that base. Expense allocation to the business of the patents was estimated using a systematic approach based on the relative financial value of the patents transferred relative to the total patent value of the Company.

Management has undergone a detailed review of all allocations and determined that the approach and methodology undertaken are appropriate.

Useful lives of intangible assets and property and equipment

The determination of the useful lives of intangible assets and property and equipment requires managements estimate.

Impairment of non-financial assets

The determination of whether indicators of impairment exist is based on management's judgment of whether there are internal and external factors that would indicate that a non-financial asset is impaired. The recoverable amounts used for impairment calculations require estimates of future net cash flows related to the assets or CGU's, probability of successful contract proposals and estimates of discount rates applied to these cash flows.

Common control

Judgement is required to determine if the asset transfer agreement represented a business or an asset purchase. Management also used judgement to determine that the Company and Power Republic were controlled by the same parties before and after the transaction. Thus, acquired assets were recorded at their predecessor carrying values.

(Expressed in Canadian Dollars)

5. Asset transfer

On April 30, 2021, the Company entered an asset transfer agreement with Power Republic Corp. and PR Korea, LTD. Per the agreement, on closing date of May 27, 2021, the Company issued 96,480,000 common shares, and acquired cash, shares in PRT Korea Co. Ltd., and intangible assets.

Upon closing of this transaction, the Company cancelled its 100 common shares that were outstanding.

The Company determined that Power Republic Corp. and PR Korea LTD were under common control at the time of the transfer. As a result, the assets transferred to the Company were recorded at book value. The shares issued for consideration, were valued at fair value.

The asset transfer was as follows:

Shares issued for consideration (96,480,000 shares)	$	4,399,488
	$	4,399,388
Net assets acquired, predecessor values		
Cash	$	1,500,000
Patents		1,135,609
Capital stock of PRT Korea Co. Ltd..		1,559,304
	$	4,194,913

The value of the share consideration was based on the subscription offering to an arm's length party (Note 11).

As this was a transaction under common control, and the net assets acquired were less than the consideration paid, the difference between the share consideration and net assets acquired of $204,575 was charged to deficit within the statement of shareholders' equity.

Comparative figures

The comparative periods shown on these financial statements have been prepared using the carve-out financial information that reflects the financial position, results of operations and cash flows as if the asset transfer had taken place at the beginning of the earliest comparative period presented.

6. Equipment

Cost		Machinery		Vehicles		Office equipment		Total
Balance at December 31, 2020	$	489,496	$	46,664	$	168,372	$	704,532
Additions		-		57,892		-		57,892
Balance at September 30, 2021	$	489,496	$	104,556	$	168,372	$	762,424
Accumulated amortization								
Balance at December 31, 2020	$	202,969	$	778	$	117,680	$	321,427
Depreciation		73,425		13,754		23,925		111,104
Balance at September 30, 2021	$	276,394	$	14,532	$	141,605	$	432,531
Carrying amounts								
At December 31, 2020	$	286,527	$	45,886	$	50,692	$	383,105
At September 30, 2021	**$**	**213,102**	**$**	**90,024**	**$**	**26,767**	**$**	**329,893**

(Expressed in Canadian Dollars)

7. Intangible assets

Cost		**Patents**		**Software**		**Total**
Balance at December 31, 2020	$	1,946,352	$	30,643	$	1,976,995
Additions		-		2,487		2,487
Balance at September 30, 2021	$	1,946,352	$	33,130	$	1,979,482
Accumulated amortization						
Balance at December 31, 2020	$	658,440	$	10,681	$	669,121
Amortization		280,381		4,730		285,111
Balance at September 30, 2021	$	938,821	$	15,411	$	954,232
Carrying amounts						
At December 31, 2020	$	1,287,912	$	19,962	$	1,307,874
At September 30, 2021	**$**	**1,007,531**	**$**	**17,719**	**$**	**1,025,250**

8. Right-of-use assets and lease liability

Right of Use Assets		**Building**		**Vehicle**		**Total**
Cost:						
Balance December 31, 2020	$	173,572	$	-	$	173,572
Amortization		29,825		42,010		71,835
Balance September 30, 2021	$	203,397	$	42,010	$	245,407
Amortization:						
Balance December 31, 2020	$	65,090	$	-	$	65,090
Additions during the year		71,303		8,731		80,034
Balance September 30, 2021	$	136,393	$	8,731	$	145,124
Net book value:						
Balance December 31, 2020	$	108,482	$	-	$	108,482
Balance September 30, 2021	**$**	**67,004**	**$**	**33,279**	**$**	**100,283**

(Expressed in Canadian Dollars)

8. Right-of-use assets and lease liability (continued)

Lease liability		
Balance December 31, 2020	**$**	**114,906**
Additions during the period		71,835
Lease payments made		(84,648)
Accretion		7,319
Foreign exchange		(10,135)
Balance September 30, 2021	**$**	**99,277**

Current portion	$	70,427
Non-current portion	$	28,850

The Company's minimum lease payments are as follows:

Within one year	$	75,021
Later than one year but not later than two years		20,679
Later than two years		10,099
Note Minimum lease payments		105,799
Amount representing finance charge		(6,522)
Present value of net minimum lease payments	$	99,277

9. Note payable

		September 30, 2021		December 31, 2020
Note payable	**$**	**2,000**	$	2,000

The note payable is due to the Company's capital advisory firm and is repayable on demand, unsecured and bears no interest.

10. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that its key management personnel are the members of the Company's current and former Board of Directors and its executive officers.

Key management personnel include executive officers and directors. During the nine-months ended September 30, 2021, key management compensation totaled $116,910 (September 30, 2020 - $118,350). As at September 30, 2021, defined benefit liability owing to key management personnel totaled $10,735. As at December 31, 2020 provision for severance indemnities owing to key management personnel totaled $ 30,865.

Due to related parties:

		September 30, 2021		December 31, 2020
Due to shareholder and director	**$**	**1,000**	$	1,000
	$	**1,000**	$	1,000

The amounts due to related parties are due on demand, unsecured and bear no interest.

Transactions with related parties are incurred in the normal course of business and initially recorded at fair value.

11. Share capital

Authorized:

Unlimited number of voting Common Shares.

During the period ended September 30, 2021, the Company completed the following share capital transactions:

- Issued 96,480,000 shares valued at $4,399,488 for the asset transfer (Note 5).

Subscription receipts

Subscription receipts were issued to Columbia Capital Inc. (the “Columbia Subscription Receipts”) as an advisory fee on May 27, 2021. On the date (the “Conversion Date”) on which both (i) a receipt has been issued for the Company's prospectus and (ii) the Company has received confirmation from the CSE that the Company has met all CSE requirements for the Company's common shares to be listed for trading on the CSE, each Columbia Subscription Receipt will automatically convert, without any further action by or additional consideration from the holder of the Columbia Subscription Receipts, into one Common Share and one Common Share purchase option of the Company (each, a “Columbia Subscription Receipt Option”). Each Columbia Subscription Receipt Option will be exercisable to acquire one Common Share (an “Option Share”) for a period of two years from the Conversion Date at an exercise price equal to the greater of: (i) the market closing price of the Common Shares on the Company's first day of trading; and (ii) the 15-day average closing price of the Common Shares starting from the Company's first day of trading. The value of Columbia Subscription Receipt Option was determined using the Black-Scholes Option Pricing Model using the following assumptions: share price $0.0456; exercise price $0.0695; expected life 2.4 years; forfeiture rate 0%; risk free rate 0.31%; and volatility of 150% based on comparable company average. The Columbia Subscription Receipts were valued at $335,268, with the Columbia Subscription Receipt Option valued at $114,329.

12. Capital management

The Company’s capital consists of share capital. The Company’s objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company’s objectives when managing capital are:

i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,

ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements. There have been no changes to the Company’s capital management during the period.

13. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, account payables and accruals, long-term borrowing, note payable, and due to related parties The carrying amounts of current assets and liabilities approximate their fair value due to their short period to maturity. The carrying value of long-term borrowings approximates fair value due to the market rate of interest attached to the debt.

IFRS establishes a three-level hierarchy that prioritizes the inputs relative to the valuation techniques used to measure fair value. Fair values of assets and liabilities included in Level 1 of the hierarchy are determined by reference to quoted prices in active markets for identical assets and liabilities. Fair value of assets and liabilities in Level 2 are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Fair value of assets and liabilities in Level 3 are determined based on inputs that are unobservable and significant to the overall fair value measurement. Accordingly, the Company has categorized its financial instruments carried at fair value into one of three Classification of financial instruments per category:

Financial Instrument	Classification and measurement
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Deposits	Amortized cost
accounts payable and accruals	Amortized cost
Notes payable	Amortized cost
Long-term borrowings	Amortized cost
Due to related parties	Amortized cost

13. Financial instruments (continued)

Credit Risk

Credit risk arises when one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. The maximum exposure of financial assets to credit risk relate to cash and cash equivalents and receivables.

Since receivables and other current assets are dispersed to various customers, the credit risk is not focused. Cash and cash equivalents are held with major Canadian and Korean financial institutions and as a result, management considers credit risk to be low.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2021, the Company had a cash balance of $1,165,853 (December 31, 2020 - $2,590,575) to pay current liabilities of $346,309 (December 31, 2020 - $396,629), and therefore, will not need to seek sources of cash inflows to meet obligations as they come due.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Company has cash balances and no variable rate interest-bearing debt.

ii. Foreign currency risk

The Company is not exposed to significant foreign currency risk.

iii. Commodity risk

The Company is not exposed to commodity price risk.

14. Comparative information

These condensed interim consolidated financial statements are prepared on a combined basis, using the condensed interim consolidated financial statements of PR Technology Inc. and PRT Korea Inc. to conform with the generally accepted accounting principles under a common control. The comparative periods shown on these condensed interim consolidated financial statements have been prepared using the carve-out financial information that reflects the financial position, results of operations and cash flows which were transferred to the Company in May 2021, as if the Company was operating for those comparative periods.

Certain assets, liabilities, items of shareholders’ equity, expenses, and revenues which are shown as a carve-out in the comparative periods, have been excluded from the combined condensed interim consolidated financial statements of the Company and its subsidiary, as these were not transferred to the Company with the asset that were transferred in May 2021 (Note 5).