A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

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

PRELIMINARY PROSPECTUS

Initial Public Offering April 14, 2022

RDARS INC.

53,650,000 Units on Conversion of 53,650,000 Subscription Receipts

This preliminary prospectus (this "**Prospectus**") is being filed by RDARS Inc. ("**RDARS**" or the "**Company**") with the securities regulatory authorities in the Provinces of Ontario and British Columbia to enable RDARS to become a reporting issuer pursuant to applicable securities legislation in the Provinces of Ontario and British Columbia notwithstanding that no sale of its securities is contemplated herein.

This Prospectus qualifies the distribution of common shares of the Company (the "**Subscription Receipt Shares**") and warrants to purchase common shares (the "**Subscription Receipt Warrants**"), without additional payment, upon the conversion or deemed conversion of 53,650,000 issued and outstanding Subscription Receipts (as defined herein) into 53,650,000 units (the "**Units**"), each Unit comprised of one Subscription Receipt Share and one Subscription Receipt Warrant. See "*Use of Available Funds*" herein.

The Subscription Receipts are not available for purchase pursuant to this Prospectus and, except for release of the Escrowed Funds (as defined herein) no additional funds are to be received by the Company from the distribution of the securities under this Prospectus upon the exercise or deemed exercise of the Subscription Receipts.

Pursuant to the non-brokered private placement that closed on December 30, 2021 and March 31, 2022, the Company issued 53,650,000 Subscription Receipts pursuant to the Subscription Receipt Agreement (as defined herein) at a price of $0.05 each to raise aggregate gross proceeds of $2,682,500. The gross proceeds from the sale of the Subscription Receipts were placed into escrow at closing (the "**Escrowed Funds**").

In the event that the Company is issued a passport decision document evidencing a receipt on behalf of the securities regulatory authorities in each of the provinces of Canada in which a final prospectus is filed pursuant to Multilateral Instrument 11-102 Passport System, and which qualifies the Subscription Receipt Share and Subscription Receipt Warrant that are underlying the Subscription Receipts (the "**Release Condition**") prior to the Deadline (as defined herein): (i) each Subscription Receipt will be automatically converted, without further payment, into one Unit, whereby each Unit is comprised of one Subscription Receipt Share and one Subscription Receipt Warrant; (ii) the Escrowed Funds will be released from escrow to the Company; and (iii) the Subscription Receipts shall be cancelled. Upon conversion of the Subscription Receipts, and without additional payment therefor, the Company will issue 53,650,000 Subscription Receipt Shares and 53,650,000 Subscription Receipt Warrants which are being qualified under this Prospectus. In the event that the Release Condition does not occur on or prior to the Deadline, or if the Company otherwise notifies the Escrow Agent that it does not intend to proceed as provided in the Subscription

Receipt Agreement, the Escrowed Funds will be returned to the subscribers, the Subscription Receipts will be cancelled, and no party shall have any further obligations thereunder.

Research Capital Corporation (the "**Finder**") acted as finder with respect to the distribution of the Subscription Receipts and entered into finder's fee agreements with the Company. Pursuant to the terms of the finder's fee agreements, the Company agreed to pay the Finder a fee equal to 8% in cash and 8% in finder warrants at a price of $0.05 per Unit for a period of 24 months from the occurrence of the Release Condition (the "**Finder Warrants**"), subject to an exception on the certain purchasers of 42,100,000 Subscription Receipts already known to the Company, on which the fee was reduced to 2% in cash and 2% in Finder Warrants. The Finder agreed to accept their cash fee of $70,900 in Common Shares (as defined herein), being 1,418,000 Common Shares (the "**Finder Shares**") at a price of $0.05 in satisfaction of the cash fee of $70,900. An aggregate cash fee of $70,900 is payable to the Finder, which is being settled in 1,418,000 Common Shares and the issuance of an aggregate of 1,418,000 Finder Warrants. The Finder Shares and Finder Warrants are to be issued upon the occurrence of the Release Condition. This Prospectus qualifies 1,418,000 Finder Warrants and 1,418,000 Common Shares that are issuable to the Finder upon occurrence of the Release Condition.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

There currently is no market through which the securities of the Company may be sold, and holders of the Company's securities may not be able to resell any such securities. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "*Risk Factors*" and "*Statement Regarding Forward-Looking Information*".

The Company has applied to list its Common shares (the "**Common Shares**") on the Canadian Securities Exchange (the "**CSE**"). The CSE has not approved the listing of the Common Shares. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE. There is no guarantee that the CSE will provide approval for the listing of the Common Shares.

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

An investment in Common Shares of the Company is highly speculative due to various factors, including the nature and stage of development of the business of the Company. In reviewing this Prospectus, you should carefully consider the matters described under the heading "*Risk Factors*".

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

The Company's head office and registered office is located at 2 Covington Road, Suite 507, North York, Ontario M6A 3E2.

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GLOSSARY

In this Prospectus, the following capitalized terms have the following meanings, in addition to other terms defined elsewhere in this Prospectus.

"**ADM**" means Advanced Data Management.

"**ADM Agreement**" means the technology development agreement dated September 1, 2019, between the Company and ADM.

"**Audit Committee"** means the Audit Committee of the Board.

"**Board**" means the board of directors of the Company.

"**BVLOS**" means beyond visual line of sight.

"**CEO**" or "**Chief Executive Officer**" means the Chief Executive Officer of the Company.

"**CFO**" means the Chief Financial Officer of the Company.

"**Common Shares**" has the meaning ascribed thereto on the second page of this Prospectus.

"**Conversion Securities**" means, collectively (i) the Subscription Receipt Shares issuable on conversion of the Units, (ii) the Finder Shares issued upon the occurrence of the Release Condition, and (iii) the Conversion Shares.

"**Conversion Shares**" means Common Shares issuable on conversion of the March 2021 Debentures.

"**COVID-19**" means the novel coronavirus.

"**CSE**" has the meaning ascribed thereto on the second page of this Prospectus.

"**CSE Escrow Agreement**" means the escrow agreement substantially in Form 46-201F1– *Escrow Agreement* (the form of agreement for escrow arrangements under NP 46-201) to be entered into by Related Persons of the Company with the Escrow Agent.

"**CSE Policy 2**" means the CSE Policy 2 – *Qualifications for Listing*.

"**Deadline**" means 5:00 p.m. (Toronto time) on June 28, 2022.

"**Drone Harmony**" means Drone Harmony AG.

"**Drone Harmony Agreement**" means the technology development agreement dated August 1, 2019, between the Company and Drone Harmony.

"**Easy Aerial**" means Easy Aerial Inc.

"Easy Aerial Agreement" means the Original Easy Aerial Agreement, as amended by the Easy Aerial Amendment Agreement.

"**Easy Aerial Amendment Agreement**" means the amendment to the Easy Aerial Agreement dated November 1, 2020.

"**Escrow Agent**" means the escrow agent under the Escrow Agreement.

"**Escrow Agreement**" means the escrow agreement substantially in Form 46-201F1– *Escrow Agreement* (the form of agreement for escrow arrangements under NP 46-201) to be entered into by the Escrowed Securityholders with the Escrow Agent.

"**Escrowed Funds**" means the aggregate amount received by the Subscription Escrow Agent from purchasers of Subscription Receipts, together with all interest earned and any investments acquired from time to time with such funds.

"**Escrowed Securities**" has the meaning ascribed to such term under the heading "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*".

"**Escrowed Securityholders**" means those Related Persons who will be required to enter into a CSE Escrow Agreement.

"**FAA**" means the Federal Aviation Administration.

"**Financial Statements**" means the audited financial statements of the Company for the years ended November 30, 2021 and 2020.

"**Finder**" means Research Capital Corporation.

"**Finder Shares**" means the 1,418,000 Common Shares issuable to the Finder as finder in connection with the sale of Subscription Receipts, at a price of $0.05 in satisfaction of the cash fee of $70,900.

"**Finder Warrants**" means the 1,418,000 Unit purchase warrants of the Company issuable to the Finder as finder in connection with the sale of Subscription Receipts, whereby the holders are entitled to acquire 1,418,000 Units at an exercise price of $0.05 until 24 months from the occurrence of the Release Condition.

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board and the interpretations thereof by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee.

"**Listing**" means the listing of the Common Shares on the CSE.

"**Listing Date**" means the date of the bulletin issued by the CSE evidencing final CSE acceptance of the application for Listing.

"**March 2021 Conversion Price**" means $0.04.

"**March 2021 Debenture Conversion Date**" means the date of admission of the Common Shares to trading on an established Canadian or United States securities exchange.

"**March 2021 Debenture Private Placement**" means the non-brokered private placement of the March 2021 Debentures by the Company in the aggregate amount of $1,200,000.

"**March 2021 Debentures**" means debentures in the capital of the Company issued pursuant to the March 2021 Debenture Private Placement.

"**NEO**" or "**Named Executive Officer**" has the meaning ascribed to such term under the heading *"Director and Executive Compensation*".

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance.*

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings.*

“**November 2021 Conversion Price**” means $0.05.

“**November 2021 Debenture Private Placement**” means the non-brokered private placement of November 2021 Debentures by the Company in the aggregate amount of $350,000.

“**November 2021 Debentures**” means debentures in the capital of the Company issued pursuant to the November 2021 Debenture Private Placement.

“**November Debenture Warrants**” has the meaning ascribed to such term under the heading “*Description of the Securities - Warrants to Purchase Common Shares*”.

“**OBCA**” means the *Business Corporations Act* (Ontario), including the regulations thereunder, as amended.

“**Option**” means an option to purchase a Common Share issued pursuant to the Stock Option Plan.

“**Order**” has the meaning ascribed to such term under the heading “*Directors and Executive Officers – Cease Trade Orders, Bankruptcies*”.

“Original Easy Aerial Agreement” means the technology development agreement dated September 1, 2019 between the Company and Easy Aerial.

“*Prior Issued Warrants*” has the meaning ascribed to such term under the heading “*Description of the Securities - Warrants to Purchase Common Shares*”.

“**Related Persons**” has the meaning ascribed thereto in the policies of the CSE and includes Messrs. Zwebner and Heller.

“**Release Condition**” has the meaning ascribed to such term on the cover page of this Prospectus.

“**Share Split**” on December 30, 2021, the Company completed a share split on the basis of one common share prior to the Share Split to 60 Common Shares. For greater clarity, all figures listed in this Prospectus are listed post-Share Split, unless indicated otherwise.

“**Shareholders**” means the holders of the Common Shares and “**Shareholder**” means any one of them.

“**Stock Option Plan**” means the stock option plan of the Company as approved by the Board on April 1, 2022, as amended from time to time.

“**Subscription Escrow Agent**” means Garfinkle Biderman LLP.

“**Subscription Receipt Agreement**” means an agreement dated December 30, 2021, between the Company and the Subscription Escrow Agent relating to the Escrowed Funds.

“**Subscription Receipts**” means the subscription receipts issued and certified under the Subscription Receipt Agreement and from time to time outstanding, each Subscription Receipt evidencing the rights set out in the Subscription Receipt Agreement.

“**Subscription Receipt Shares**” means the common shares of the Company issuable to holders of Subscription Receipts pursuant to the Subscription Receipt Agreement.

“**Subscription Receipt Warrants**” means the common share purchase warrants of the Company issuable to holders of Subscription Receipts pursuant to the Subscription Receipt Agreement, whereby each warrant entitles the holder to acquire one common share at an exercise price of $0.10 for a period of 24 months from the date of issuance.

"**Transfer Agent**" means Endeavor Trust Corporation at its office at 702 – 777 Hornby Street, Vancouver, British Columbia V6Z 1S4.

"**Unit**" has the meaning ascribed thereto on the first page of this Prospectus.

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**Warrants**" means the outstanding Common Share purchase warrants of the Company.

ABOUT THIS PROSPECTUS

The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated. The Company's business, financial condition, operating results and prospects may have changed since the date of this Prospectus.

The information contained on the Company's website is not intended to be included in or incorporated by reference into this Prospectus and investors should not rely on such information.

Any graphs, tables or other information demonstrating the historical performance or current or historical attributes of the Company or any other entity contained in this Prospectus are intended only to illustrate historical performance or current or historical attributes of the Company or such entities and are not necessarily indicative of future performance of the Company or such entities.

This Prospectus includes summary descriptions of certain material agreements of the Company (see "*Material Contracts*"). The summary descriptions disclose provisions that the Company considers to be material, but are not complete and are qualified by reference to the terms of the material agreements, which will be filed with theCanadian securities regulatory authorities and will be available under the Company's profile on SEDAR at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, "**forward-looking statements**"), which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, statements about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to:

- the timing of the receipt for this Prospectus, in a timely manner, and receipt of regulatory and other required approvals;
- the listing of the Common Shares on the CSE, including the Company fulfilling all applicable listing requirements;
- the Company's intended use of available funds;

- the Company's future business plans and the Company's expectations with respect to the achievement of certain milestones;
- expectations regarding the demand for the Company's products;
- expectations regarding the ability and need to raise further capital;
- the Company's compensation policy and practices;
- the Company's expected reliance on key management personnel, advisors and consultants;
- future composition of the Board;
- effects of COVID-19; and
- the private escrow agreements, the CSE Escrow Agreement and the escrow of the Escrowed Securities.

Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, currentconditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Prospectus including, without limitation, assumptions about:

- the ability of the Company to execute agreements that provide the Company with the necessary resources, or to raise any necessary additional capital on reasonable terms, in either case, to allow the Company to execute its business plan and achieve its stated milestones;
- the ability of the Company to secure agreements that provide for milestone payments;
- expected regulatory changes regarding the Company's industry;
- increased consumer interest in the use of the Company's products;
- that general business and economic conditions will not change in a material adverse manner;
- the accuracy of budgeted costs and expenditures;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms and any required renewals of the same;
- requirements under applicable laws;
- stability in financial and capital markets; and
- expectations regarding the level of disruption to the Company's business because of COVID-19.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation:

- the Company's limited operating history;
- the Company's lack of profitability and negative operating cash flow;
- failure to develop successful product and service offerings;
- speed of introduction of products and services to the marketplace;
- the markets in which the Company competes are characterized by rapid technological change, which requires the Company to develop new products and product enhancements, and could render the Company's existing products obsolete;
- significant development costs may adversely impact the Company;
- failure to complete additional financings;
- market forces;
- increased competition may materially adversely impact the Company;
- regulatory risk;
- the Company's products and services are complex and could have unknown defects or errors, which may give rise to claims against the Company, diminish its brand or divert its resources from other purposes;
- undetected flaws in the Company's products;
- if the Company releases defective products or services, its operating results could suffer;
- risks of operating UAVs;

- employee misconduct;
- data privacy and security;
- security threats;
- electronic communications security threats;
- the Company’s business could be adversely affected if its consumer protection and data privacy practices are not seen as adequate or there are breaches of its security measures or unintended disclosures of its consumer data;
- managing growth;
- unproven market;
- reliance on management;
- possible acquisitions;
- reliance on key employees and/or contractors;
- conflicts of interest;
- litigation;
- intellectual property rights;
- international expansion;
- discretion in the use of proceeds;
- limited market for securities;
- volatile market price for the Common Shares;
- technical problems;
- economic conditions;
- accounting standards;
- accounting estimates and judgements;
- additional taxes;
- sales of substantial amounts of Common Shares;
- exchange rate fluctuations;
- brand awareness;
- corporate culture;
- internal controls;
- forward-looking information;
- upon becoming a reporting issuer, the Company will be subject to costly reporting requirements and related expenses;
- damage and interruptions;
- COVID-19 pandemic; and
- other factors discussed under “*Risk Factors*”.

Although the Company has attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See “*Risk Factors*” for a discussion of certain factors investors should carefully consider before deciding to invest in securities of the Company.

The Company cautions that the foregoing lists of important assumptions and factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking statements contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this Prospectus and the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

THIRD PARTY INFORMATION

This Prospectus includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Prospectus or analyzed or verified the underlying reports relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Prospectus are not guaranteed and the Company does not make any representation as to the accuracy or completeness of such information.

PRESENTATION OF FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The Company presents its Financial Statements in Canadian dollars. The Financial Statements of the Company have been prepared in accordance with IFRS. Certain financial information set out in this Prospectus is derived from such Financial Statements.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and is qualified in its entirety by, andshould be read together with, the more detailed information, Financial Statements and MD&A contained elsewhere in this Prospectus. You should read this Prospectus in its entirety carefully, especially the "Risk Factors" section of this Prospectus and the Financial Statements and related notes appearing elsewhere in this Prospectus. Capitalized terms used but not defined in this summary are defined elsewhere in this Prospectus. Please refer to the "Glossary" for a list of defined terms used herein.

Principal Business

The Company was incorporated on May 16, 2019, pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**"). The Company's head office and registered office is located at 2 Covington Road, Suite 507, North York, Ontario M6A 3E2.

The Company is an early-stage autonomous robotics and drone technology company in the process of developing various autonomous technologies, including, a drone which augments security systems for residential, commercial and industrial applications. The Company offers proprietary autonomous robotic platforms, including, a drone aircraft, drone station and unmanned autonomous ground vehicle solutions that enable real-time alarm response, verification, intervention, reporting, and evidence recording. The Company is currently in final stages of development of its production level designs for the three main products the Company plans to produce in the near future. The aerial drone and its respective ground station, as well as the ground robotics vehicle platform are all in the fabrication stage and are expected to undergo testing no later than June 2022. The Company is also developing an entire suite of software applications which maintain, control and secure the communications and data received from these autonomous systems. The software will ultimately be controlled by redundant command and control centres which the Company will deploy during 2022 in Miami, Florida and another secondary location to be determined.

See "*Description of the Company's Business*".

The Offering

No securities are being offered pursuant to this Prospectus, however certain securities are being qualified for distribution hereunder. This Prospectus is being filed with the Ontario and British Columbia Securities Commissions for the purpose of allowing the Company to become a reporting issuer in such jurisdictions and to enable the Company to develop an organized market for its Common Shares. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company.

The Listing

The Company has applied to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including, without limitation, the distribution of the Company's Common Shares to a minimum number of public shareholders and the Company meeting the minimum listing requirements.

Available Funds

As at March 31, 2022, being the most recent month end prior to the date of this Prospectus, the Company has approximately $2,672,788 of cash (assuming the release of the Escrowed Funds) available for use over the next 12 months. See "*Use of Available Funds*".

Risk Factors

Investment in the Company involves a substantial degree of risk and should be regarded as speculative. As a result, the purchase of the Company's securities should be considered only by those persons who can afford a loss of their entire investment. Prospective investors should carefully consider, in addition to matters set forth elsewhere in this Prospectus, the risks described under "Risk Factors", which are summarized below:

- the Company's limited operating history;
- the Company's lack of profitability and negative operating cash flow;
- failure to develop successful product and service offerings;
- speed of introduction of products and services to the marketplace;
- the markets in which the Company competes are characterized by rapid technological change, which requires the Company to develop new products and product enhancements, and could render the Company's existing products obsolete;
- significant development costs may adversely impact the Company;
- failure to complete additional financings;
- market forces;
- increased competition may materially adversely impact the Company;
- regulatory risk;
- the Company's products and services are complex and could have unknown defects or errors, which may give rise to claims against the Company, diminish its brand or divert its resources from other purposes;
- undetected flaws in the Company's products;
- if the Company releases defective products or services, its operating results could suffer;
- risks of operating UAVs;
- employee misconduct;
- data privacy and security;
- security threats;
- electronic communications security threats;
- the Company's business could be adversely affected if its consumer protection and data privacy practices are not seen as adequate or there are breaches of its security measures or unintended disclosures of its consumer data;
- managing growth;
- unproven market;
- reliance on management;
- possible acquisitions;
- reliance on key employees and/or contractors;
- conflicts of interest;
- litigation;
- intellectual property rights;
- international expansion;
- discretion in the use of proceeds;
- limited market for securities;
- volatile market price for the Common Shares;
- technical problems;

- economic conditions;
- accounting standards;
- accounting estimates and judgements;
- additional taxes;
- sales of substantial amounts of Common Shares;
- exchange rate fluctuations;
- brand awareness;
- corporate culture;
- internal controls;
- forward-looking information;
- upon becoming a reporting issuer, the Company will be subject to costly reporting requirements and related expenses;
- damage and interruptions;
- COVID-19 pandemic; and
- other factors discussed under "*Risk Factors*".

This information is presented as of the date of this Prospectus and is subject to change, completion, or amendment without notice.

See "*Risk Factors*".

Selected Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the Financial Statements, and should be read in conjunction with such financial statements and the related notes thereto along with the MD&A thereto, which are included in Schedules "A" to "B" of this Prospectus. All financial statements of the Company are prepared in accordance with IFRS.

	As at and for the year ended November 30, 2021 (audited) ($)	**As at and for the year ended November 30, 2020 (audited) ($)**
Total revenues	Nil	Nil
Expenses	1,310,959	1,199,197
Net loss and comprehensive loss	1,981,969	1,199,202
Basic loss per share	0.48	0.29
Current assets	294,080	105,991
Total assets	1,087,496	823,369
Current liabilities	1,431,697	1,335,955
Total liabilities	3,527,051	1,335,955
Total shareholders' deficiency	2,439,555	512,586

See "*Management's Discussion and Analysis*" and "*Financial Statement Disclosure*".

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on May 19, 2019, under the laws of Ontario pursuant to the *Business Corporations Act* (Ontario). The Company filed Articles of Amendment on December 30, 2021, to effect the Share Split in order to have a more flexible capital structure to attract capital and ensure trading liquidity once listed on the CSE.

The Company's head office and registered office is located at 2 Covington Road, Suite 507, North York, Ontario M6A 3E2.

The Company is not a reporting issuer in any jurisdiction and the Common Shares are not listed or posted for trading on any stock exchange. The Company has made an application to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

Intercorporate relationships

The Company does not have any subsidiaries.

DESCRIPTION OF THE COMPANY'S BUSINESS

Business of the Company

Overview

The Company is an early-stage autonomous robotics and drone technology company in the process of developing various autonomous technologies including a drone which augments security systems for residential, commercial and industrial applications. The Company offers proprietary autonomous robotic platforms including a drone aircraft, drone station and unmanned autonomous ground vehicle technology solution that enable real-time alarm response, verification, intervention, reporting, and evidence recording. The Company is currently in final stages of development of its production level designs for the three main products the Company plans to produce in the near future. The aerial drone and its respective ground station as well as the ground robotics vehicle platform are all in the fabrication stage and are expected to undergo testing no later than June 2022. The Company is also developing an entire suite of software applications which maintain, control and secure the communications and data received from these autonomous systems. The software will ultimately be controlled by redundant Command and Control Centers (as defined below) which the Company will deploy during 2022 in Miami, Florida and another secondary location yet to be determined.

Industry Background

The use of Unmanned Aerial Vehicles ("**UAVs**") broke into the mainstream in 2016 when the Federal Aviation Administration (the "**FAA**") granted hundreds of new exemptions for companies to operate drones in the United States through FAA Part 107 (Small Unmanned Aircraft Systems) ("**Part 107**"). Part 107 included exemptions for several novel applications across a broad range of industries, including insurance, construction and agriculture. The global market for commercial applications of drone technology, was estimated at about $2 billion in 2016, and was projected to balloon to as much as $127 billion by 2020, according to a report by PricewaterhouseCoopers LLP[1]. Consumer and prosumer drones are ideal for certain aerial filming applications, but enterprises looking to use drones for advanced applications will generally turn to high-end UAV manufacturers with longer flight times, better sensor capabilities and analytic functionalities. The high-end commercial UAV market, which is defined as drones >$5,000, is one of the fastest-growing markets within the broader UAV space. Most such high-end systems which are comprised of a drone and base station and designed for commercial market applications, such as cell tower and refinery plant inspections,

[1] "Clarity from above," PwC global report on the commercial applications of drone technology, May 2016.

range in the cost of $25,000 to $30,000. The Company's high end autonomous robotic drone system is expected to cost in the sub $5,000 range.

Eagle Eye System and Application

The Company is in the process of developing the world's first and only known beyond visual line of sight ("**BVLOS**") certified fully autonomous drone in a box system for security alarm augmentation. The R.D.A.R.S. Eagle Watch Platform being developed by the Company would combine a fully autonomous drone system Eagle Eye and a drone station, Eagle Nest, to house and secure the drone, as well as an internal autonomous ground robotic system, Eagle Rover, integrated into an existing alarm system (the "**Eagle Watch System**"). When an alarm is triggered, the internal Eagle Robot or external Eagle Eye drone will automatically travel and/or fly to the zone where the alarm was triggered and provide real time sensor information from the area to the Company's trained response team personnel at the Command and Control Center. Live video and audio are captured and recorded to validate and verify the situation, and to provide needed confirmation for police and other emergency service response. The benefits of the Eagle Watch System are:

1. **Dispatch –** upon an alarm being triggered, the robotic systems will automatically be dispatched to the zone where the alarm is triggered**;**

2. **Intervention** – upon an alarm being triggered, the robotic systems can transmit real-time video and audio allowing the Company's trained response team personnel at the Command and Control Center to verify what is happening and if necessary, contact emergency services, the property owner and other stakeholders for the customer account. The Company is currently testing advanced features like facial recognition, ALPR (Automated License Plate Recognition) and other authentication and authorization methods that its robotic systems may employ;

3. **Data Transmission** – RDARS uses a unique method to transact data to and from its remote robotic systems. Each device is issued a secure 4096bit RSA certificate at the final stage of manufacturing, each transmission to and from the drone uses this secure certificate for authentication. Additionally, each transmission has an encrypted timestamp containing two values which are randomly generated using a secure algorithm, preventing replay type attacks. Therefore, even if a remote attacker were to gain access to a drone and its secure certificate, without having knowledge of the method or the anti-replay system, the communication would fail and alert the Command and Control Center IT staff that a breach had occurred. Data is generally transmitted over the facility/location internet connection via WiFi. The Eagle Eye drone and Eagle Nest stations both have redundant communications and will fail over to cellular should the WiFi not be working;

4. **Situational Awareness** – the Eagle Watch System provides a more complete picture of an ongoing situation than has ever been available before, far more effective than fixed cameras, more cost effective and accurate that human personnel, and at a far reduced cost. By providing video and audio in different modes like thermal infrared, the Eagle Watch System provides a more holistic view of a facility; and

5. **Evidence Recording –** video and audio are captured and recorded and stored for an unlimited amount of time, depending on the needs of the customer. Evidence that is never lost and can be reviewed at any time. The Command and Control Center software Eagle Watch V1.0 contains a security video recording system, similar to a DVR which, in the production version, authorized users may use to view recorded media and if necessary download and provide media to other groups like internal security, executive management or law enforcement. RDARS, working with its channel partners, will have strict rules for the release of any data belonging to a customer and will require various methods of authentication for release of sensitive data.

Additionally, the Eagle Watch System offers the unique opportunity to provide both scheduled and on-demand patrols by the robotic systems, both indoor and outdoor, by providing complete coverage or overwatch of the location. By providing real-time high quality visual and audio data to trained remote personnel, users of the Eagle Watch System reduce operating costs while greatly improving situational awareness. Furthermore, the Eagle Watch System maintains a complete history of all audio and video for review indefinitely. While the outdoor aerial drone requires regulatory approval for operation, the indoor robotic systems do not and can replace human patrols, providing far more advanced security capabilities, including thermal and infrared imaging, facial recognition and object recognition.

Combined, these internal and external robotic systems and command and control software, together called Eagle Watch represent the pinnacle of 21st century security augmentation.

BVLOS and Regulatory Considerations

The FAA regulations contained in Part 107 state that a UAV must be in the operator's visual line of sight at all times. Commercial drone pilots can apply for a Part 107 waiver if they need to fly BVLOS. In Canada, Transport Canada is the entity providing regulatory oversight over the operation of UAVs.

When flown in BVLOS conditions, a drone operator can increase the range and capability of a drone, offering new applications in:

1. residential and commercial security applications including real-time alarm response, verification, intervention, reporting, and evidence recording;

2. public safety for search and rescue missions in life-saving circumstances;

3. delivery services to remote and rural communities; and

4. long-range surveys, infrastructure inspections and precision agriculture.

The FAA, Transport Canada, the Civil Aviation Authority in the European Union and other aviation regulatory bodies have limited BVLOS operations in most cases due to the nature of remote autonomous operations and the potential danger that these systems pose to private and commercial aircraft as well as structures and people. Historically, aerial drone systems were developed specifically to handle a certain task, they might be outfitted with certain sensors, or other systems to inspect powerlines, roadways, surveillance, or for cinematography. In nearly all of those cases, the FAA has issued only a very limited number of remote BVLOS approvals, and under very specific circumstances. The Company recognized this limitation and unlike past systems which try to fit their aerial drone system to the FAA requirements. The Company is tailor-making its technology with the foreknowledge of current FAA requirements, designing an entire platform which when operating together should mitigate the risk that the FAA are trying to regulate. As such, the Company is in a unique position to obtain BVLOS operations in many markets throughout North America and could potentially obtain a FAA approvals for local markets or for blanket use.

The FAA has developed the Low Altitude Authorization and Notification Capability ("**LAANC**"; pronounced "Lance"), allowing registered Part 107 pilots/companies to ask for and obtain flight approval in Class G airspace quickly and often within seconds. Having said that, unlike a one-off flight operation where a drone operator wants to fly somewhere to inspect a structure, the Company will not have any operator on location to see and control the drone. Normally this is a non-starter for the FAA, however as mentioned above, the Company is in a unique position in that:

1. it operates on private property at all times and its systems are GEO-FENCED to that property and can never leave;

2. it operates drone flights below 100 ft above ground level ("**AGL**") at all times and as such never enter Class G airspace;

3. it operates above 12 ft AGL at all times and as such cannot collide with humans or animals;

4. it flies only a predefined, obstacle clear pathing which has been pre-surveyed during the deployment phase;

5. the drone and station both have onboard collision detection systems which allow the drone and remote operator to "visualize" the area around the drone, showing the location of a potential obstacle;

6. the drone and station have redundant communications to ensure that no loss of telemetry ever happens; and

7. the drone has onboard logic which in the unlikely event command and control is lost, the drone will attempt to return to its base, or land at a predefined alternate safe landing area.

Given the above unique features, and the overall Eagle Watch software control, the Company feels confident that following its research and development deployment and testing phase, it will be issued BVLOS waivers for the deployment testing markets, following the Crawl → Walk → Jog → Run analogy.

The Eagle Watch System requires the Company to obtain a BVLOS approval from the FAA. The Company believes it is uniquely positioned to obtain an approval from the FAA for the reasons mentioned above and the steps it will take prior to filing with the FAA. The Company plans to deploy a number of test locations across the United States and Canada under a "R&D Waiver" where it will test a wide range of FAA related conditions which are known to be important to the FAA. Gathering this data, and the unique design of its system, provides a winning formula which the Company feels will ensure a FAA approval for local markets or blanket use.

The Company has a strong technical team which is very familiar with FAA guidelines. Furthermore, the Company believes it is taking a unique approach to the development of the Eagle Watch System by developing the drone to fit the FAA requirements instead of taking an existing drone design and attempting to augment it with features that the FAA requires.

The Eagle Watch System will be designed to autonomously take off from its protected station (Eagle Nest) and fly to the area of an alarm alert. The Eagle Watch System will be purchased by a property owner or tenant as part of their alarm system, likely via a large channel partner, but will be operated and controlled remotely at the Command and Control Center (or other alarm company center). Although there are no guarantees that the Company will be able to obtain the blanket waiver it will be seeking from the FAA, the Company strongly believes that the unique parameters within which the Eagle Watch System is expected to operate should allow the Company to seek and obtain a modified BVLOS waiver or other approval. The Company believes it can mitigate the risks and challenges associated with obtaining the FAA approval for blanket use by ensuring the software and hardware design integrated into the Eagle Watch System addresses the FAA's concerns related to UAVs and will attempt to produce a product which will alleviate regulatory concerns and navigate the various certification processes to obtain the necessary approvals and certifications, including Type C certification of the aircraft itself in addition to the modified approval. Following a period of trial deployments and data collection, the Company anticipates it will seek and obtain a type C certification, but such certification is not a requirement and would be done as an added measure to ensure FAA approval of the Company's technology with the FAA, and potentially allow for an expanded, broader, and more seamless allowance of remote piloting operations.

The Company expects the approval process to be rigorous. First the Company will seek a research and development waiver for specific locations. Through this process of flying within the visual line of sight, the Company will gather data which it will then present to the FAA. Based on such findings, the Company hopes to then convert some of the test sites to BVLOS under a modified research and development waiver granted by the FAA. The Company will then be able to further test and gather data based on BVLOS conditions which it will then be able to present to the FAA. The eventual goal of this iterative research and development and data gathering process would be to obtain a waiver for use across the United States with limited location restrictions (such as airports), high traffic zones, over large gatherings of people and similar types of restrictions.

The Company is currently investigating the LAANC regulation and how it might fit a modified LAANC approval since the drone is technically owned by the landowner. However, in the RDARS Architecture the drone flies autonomously or with Click to Go waypoint selections from Command and Control. These waypoints are predefined, and the operator cannot command the drone to go to any random spot. Thus, we may not even fit the requirements for any FAA approval to operate. This is to be determined at a later date. LAANC automates the application and approval process for airspace authorizations through automated applications. The LAANC capability is available to pilots operating under the Small UAS Rule Part 107, or under the exception for recreational flyers. Requests are checked against multiple airspace data sources in the FAA UAS Data Exchange such as UAS Facility Maps, Special Use Airspace data, Airports and Airspace Classes, as well as Temporary Flight Restrictions (TFRs) and Notices to Airmen (NOTAMs). If approved, pilots can receive their authorization in near-real-time. Thus, the Eagle Watch System will, in every alarm instance, or operation of any drone, electronically request a LAANC authorization by digital connection with a UTM (Unmanned Traffic Control) provider, often these LAANC approvals are issued within seconds and offer our operators in the Command and Control Center a simple way to authorize the flight within the scope of current FAA regulations. We can assume that this electronic approval request will be part of any future waiver the Company gets from the FAA so that each flight is registered and recorded.

The Solution

The Company's solution is expected to be a complete unified platform that provides unique and valuable situational awareness for all types of security requirements. There is no system on the market today which can provide cost effective coverage of a physical location both inside and outside to ensure safety and security. Competitor systems are far more expensive and cost prohibitive. The Company's solution is to provide highly valuable information at a lower cost and scale. The Eagle Watch System is expected to be comprised four main components:

1. **Eagle Watch** – The global command and control facility (the "**Command and Control Center**"). From this location, personnel of the Company will have direct access to monitor, control and act on all remote robotic assets around the world. This is a mission critical, high availability center, and will likely expand to multiple locations per region. Eagle Watch allows remote operators to control and maintain the robotic systems fleet from anywhere in the world, in real time.

   - **Eagle Eye** – The unique drone platform that enables high quality visual inspection of an alarming zone, on-demand or scheduled flights per the customer's needs and requirements. Eagle Eye represents the pinnacle of technology tailored made to FAA standards and providing outdoor coverage of facility grounds. The Company intends to integrate advanced computer vision capabilities like facial recognition and license plate recognition. Additionally, Eagle Eye is capable of operating in different modes:

     - Full Autonomy – In this mode the drone operates on its own internal logic and predefined rules of flight. All video and audio is transmitted live in real time to the remote operator who can view and watch what the drone is doing.
     - Semi Autonomy – In this mode the operator has Click to Go functional control of the drone, allowing the operator to send the drone to various pre-determined waypoints while allowing the drone to control flight functions.
     - Manual Control – In this special mode, Eagle Eye is under direct control by the remote operator. This is the most complex mode of operation and requires a skilled remote operator who can fly the drone remotely regardless of the distance. In this mode the remote operator "flies the camera" and can fly to any location on the property as needed to ensure situational awareness. The drones internal logic will prevent the remote operator from exceeding any of the rules, such as maintaining a minimum altitude of 12ft AGL, less than 100ft AGL altitude and never closer than 5ft from any obstacle. This is a particularly useful mode when wanting to search or follow a moving target or vehicle.

2. **Eagle Nest** – This will be the drone station for landing and recharging. This station will also act as a data conduit for communications to and from the Command and Control Center and will operate in all weather, and with or without power from the main facility. Eagle Nest is a weatherized, climate-controlled housing that protects and maintains Eagle Eye in a ready state. Depending on the size of a property, there can easily be more than one Eagle Nest/Eagle Eye pair as needed to cover the entire property. Eagle Nest has its own detection systems allowing it to be aware of persons, animals or object that might enter its operating area (5ft radius around the Nest) and also have visual and audible alerts when in operation, alerting anyone who might be nearby. Eagle Nest is primarily designed to be installed on a roof top or other out of the way flat structure. Eagle Nest will also have trickle charge solar film material in its production version ensuring its onboard batteries are always charged in the event of power loss.

3. **Eagle Rover** – This is a unique, fully autonomous indoor bot which can provide automated patrols, detect unauthorized persons and, using facial recognition, identify known individuals. This bot will respond to alarms internally and provide complete coverage of an alarm trigger. Unlike fixed cameras with limited

views, the Eagle Rover will be able to go anywhere and look at nearly anything using its high-resolution cameras.

Eagle Watch V1.0

From a remote location, personnel of the Company will have direct access to monitor, control and act on all remote robotic assets around the world. This is a mission critical, high availability center, and will likely expand to multiple locations per region.

Initially, the Company expects that each operator at the Command and Control Center will be managing a single mission at a time (for example, if the Company has 50 operators, the Company will have the capacity to manage 50 missions simultaneously). In the future, the Company intends to seek to determine whether the need and capability exists to allow an operator to manage more than one operation at a time, however, given the nature of the short flights, and the desire to visibly watch what the drone is seeing at all times, the Company believes that the one-to-one ratio is the only way to go for these types of missions. It should be noted that the Company's robotic systems are highly autonomous, with Eagle Eye and Eagle Rover being able to operate independently of the remote operator and provide visual cues as necessary (for example Eagle Rover can detect a human being or animal or other object and inform the remote security observer). As such it might be possible to have 2 to 3 ongoing operations displayed in front of a remote observer who can monitor what is being seen. Additionally, all elements of the remote operations are recorded and logged and all Command and Control Center personnel can review recorded material should it become necessary.

The below is a sample mission control center the Company is in the process of designing.

With previous experience in the design, implementation, and control of large fleets of autonomous systems, the technology team at the Company is well suited to developing the most advanced Command and Control software and operating capability for this type of market. Eagle Watch represents over three decades of Command and Control experience originating in mission critical telecommunications, satellite control and moving into autonomous robotic systems. As such, all the knowledge to ensure safe and reliable operation of remote systems exists within the technology team at the Company. Eagle Watch maintains a wide range of modules, each redundant, which handle everything from provisioning new autonomous systems into the production system, maintenance schedules, operator controls and views, logging and data retention, and the ability to make telecommunications calls to emergency services, property owners or others as needed by the end user. Eagle Watch is a mission critical end to end application for operating an unlimited amount of remote robotic systems, whether they be aerial, ground or something else.

Eagle Eye

The most advanced drone for security alarm augmentation. Eagle Eye is the culmination of years of research and development. Using standards based hardware and software, as well as highly customized logic, Eagle Eye can operate in most weather conditions, day and night to provide complete situational awareness for remote operations personnel. The Company solved many challenges when developing this technology, one of which was to keep the technical requirements high while maintaining a cost-effective price point, we are proud to say that we have achieved these goals, lowering costs and improving operational effectiveness at the same time. Eagle Eye truly is cutting edge technology at a price point anyone can engage.

Eagle Nest

Eagle Nest is a fixed location which houses the drone and each Eagle Nest and Eagle Eye are "mated" to each other. This highly durable, weatherized housing, protects, charges and maintains the drone 24/7/365 to ensure safe operation of the drone as needed by the end user. Eagle Nest has a variety of functions including dual communications, emergency power backup, geolocation support. The Nest is primarily designed to be installed in rooftops or safe flat surfaces.

Eagle Rover

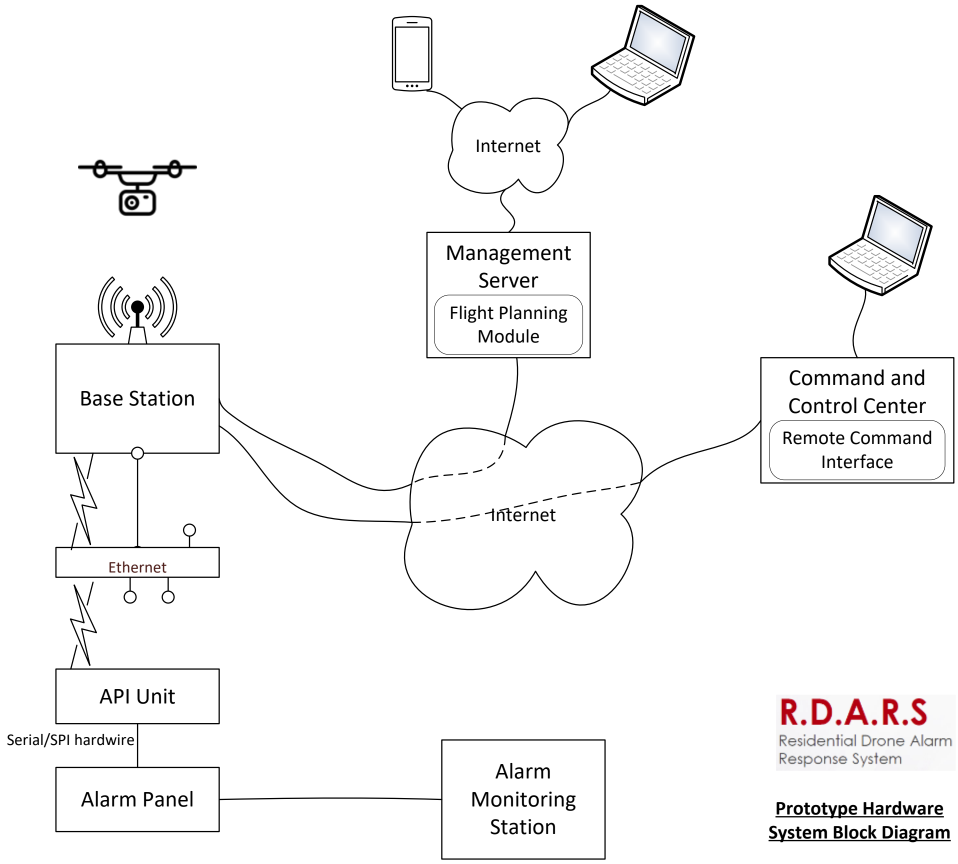
In order to offer a complete security solution, the Company plans to develop and market an indoor robot which will also be able to respond to alarm zones, as well as provide regular patrols of high security areas, or patrols of regular areas as needed. The ground robot will operate fully autonomously and will incorporate a wide range of sensors allowing for two-way communication, telemetry and feedback as well as more advanced features like facial recognition.

Please see below a rendering of the Eagle Rover.

The Company is in the phase 2 stage of development with Eagle Rover and will have operable test units available in Q3 of 2022 and expects to finalize version 1.0 no later than Q4 of 2022. The estimated cost to produce small quantities of Eagle Rover are approximately USD$3,800, which includes a full suite of advanced optics and onboard computer functions. The Company is likely to enter into an agreement with a large channel partner where these indoor robotics systems or "Bots" are leased or loaned to the end user and either the channel partner or the Company maintains ownership of the hardware with some sharing of the revenue stream on a monthly basis.

Prototype

The Company is in the process of building a prototype of the Eagle Watch System (see the system block diagram below).



Prototype Hardware System Block Diagram

Market for the Company's Offering

The target market for the Eagle Watch System are the large channel partners such as Assa Abloy, ADT, Tyco and other security focused hardware and software providers who can sell, service and support the product while RDARS provides tier 3 level support to the Company, training, professional services if needed by customers, and product growth and enhancement as it receives feedback from end users. This allows RDARS to maintain itself as a technology innovator and reducing the cost of sales management. As of March 2022, the Company is in direct contact with the C-Level team at Assa Abloy and will present the products at the soonest possible time for their review. Additionally, as Eagle Rover does not require any regulatory approval, sales, service and channel partnerships can start selling that part of the system almost immediately.

Further, the Company will entertain global options for deployment in locations where there are no regulatory restrictions in the EU, Asia and South America. This would allow the full use of the technology and rapid adoption globally. The most likely first customers for these would be government entities, military and defense as well as mission critical infrastructure like power plants, nuclear facilities, high security research and development locations, etc.

Competition and Competitive Advantage

The Company believes its advantage in the market lies in the following:

1. Unique Situation Awareness of inside and outside of a facility/location

2. 24/7/365 Recording of all collected video/audio for review

3. Reduction in human costs for many services while improving outcomes (for example paying a security person $45-60k per year, plus associated costs for that person and hoping they actually do their job diligently; an Eagle Rover or Eagle Eye can perform the same job for a fraction of the cost with far less liability and retention of all data gathered)

4. Eagle Rover can offer other services within the enterprise corporate structure such as authenticating individuals it meets on patrol via their keyfob, ID card or facial/fingerprint recognition using interchangeable modules in its head, or possibly acting as a courier for secure documents by adding a courier box to its head mount, it can then securely move documents around a facility where you prefer not to send over insecure data methods. Eagle Rover could even deliver food and drinks should the market ask for such a feature. One can envision a large enterprise campus with many Eagle Rovers assigned to different tasks, some purely security patrol, some assigned to a person to help navigate them from one location to another (i.e., visitors being moved from the entryway to a given room), some allocated just to delivering refreshments for guests or office workers by moving from a central kitchen/food area to the requested locations. The Company will be in a unique position to provide all of these services.

See "*Risk Factors*."

The Company

Brand

The name "RDARS" is and acronym that stands for Realtime Drone Alarm Response System. Additionally, the name can be pronounced "RADARS" which is synonymous with targeting and tracking of remote objects and fits with the overall theme of the Company. Drones, while usually thought of as flying systems, can be any robotic system; a drone is something which take commands from a remote central location, aka the hive center. Therefore, Eagle Rover and Eagle Eye are both drones of Eagle Watch.

History

Since incorporation, the Company has taken the following steps to develop its business:

- established certain strategic alliances and entered into technology development agreements with:
    - ADM, being the ADM Agreement. See "*ADM Agreement*";
    - Easy Aerial, being the Easy Aerial Agreement. See "*Easy Aerial Agreement*"; and
    - Drone Harmony, being the Drone Harmony Agreement. See "*Drone Harmony Agreement*".
- retained Praxis Aerospace Concepts International, Inc. to assist the Company in securing certification and special authority from the FAA.
- recruited directors, officers and consultants with the skills that are essential to providing the Company with the expertise necessary to successfully develop and its products See "*Specialized Skills and Knowledge*".
- raised aggregate gross proceeds of $5,716,286 in various private placement financings including the initial financing, the Subscription Receipts offering, the March 2021 Debenture Private Placement, and the November 2021 Debenture Private Placement. The funds raised have provided sufficient capital to carry on the Company's business to date, and to cover the costs associated with the private placements, this Prospectus and the Listing; and
- engaged auditors and legal counsel in connection with the private placements, this Prospectus and the Listing.

See "*Use of Available Funds*" and "*Material Contracts*".

ADM Agreement

The following description of the ADM Agreement is qualified in its entirety by the ADM Agreement itself, which has been filed under the Company's SEDAR profile at www.sedar.com. Readers should review the ADM Agreement in its entirety for a better understanding of the ADM Agreement.

Pursuant to the ADM Agreement, ADM agrees to participate in the development of a drone-based alarm response system. The ADM Agreement specifies three distinct segments of the collaboration: an initial project to develop a prototype system, the development of a marketable system, and technical support and maintenance.

The purpose of the prototype system is to establish a beta version of the system to showcase to prospective investors and customers. The composition of the staff involved on the project is important to the Company as the implementation of the project is heavily dependent upon ADM. Once ADM has allocated staff to the project, ADM will, barring uncontrollable circumstances, commit to making the same staff available to work on the project. ADM commits to devote a minimum of USD$100,000 worth of time on the project. As for the development of the marketable system, the roles and responsibilities of ADM are not contained in the agreement and will be discussed/agreed upon at a later date. ADM received 3.5% equity in the Company for ADM's contributions to the project and royalties on system sales, based on the forgoing payments, ADM agrees that it will only charge its cost plus a 20% mark-up in respect of any work relating to the marketable system and the long term maintenance and support agreements. ADM is to provide the Company with technical support to deal with any minor issues with the prototype and technical system (maximum 120 hours per year). The Company agrees to grant ADM non-exclusive distribution rights on the same commercial terms as any other similarly situated third party. ADM granted the Company a worldwide, non-exclusive license to commercially exploit ADM's background intellectual property for the field of use. All intellectual property developed under the agreement will be owned by the Company to the extent that it relates to the Company's business. For five years, ADM will be paid 0.005% of net sales arising from (a) the sale or lease of system units and (b) recurring revenue arising from services associated with the monitoring system. The ADM system modified for the Company will be an exclusive development engagement and not provided to anybody else in the home security business.

Easy Aerial Agreement

The following description of the Easy Aerial Agreement is qualified in its entirety by the Easy Aerial Agreement itself, which has been filed under the Company's SEDAR profile at www.sedar.com. Readers should review the Easy Aerial Agreement in its entirety for a better understanding of the Easy Aerial Agreement.

Pursuant to the Original Easy Aerial Agreement, Easy Aerial has agreed to participate in the development of a drone-based alarm response system for residential buildings. The scope of the relationship between the Company and the Party was reduced as a result of the entering into of the Easy Aerial Amendment Agreement. Easy Aerial agrees to deliver (1) any completed or work-in progress base station and applicable hardware and other intangible items and materials in its possession applicable to an initial prototype drone-in-a-box unmanned aircraft system that was designed as a prototype product for the Company in 2019 and (2) the prototype drone aircraft and associated hardware for and other intangible items for the drone aircraft in its possession applicable to the prototype mentioned in (1), each in consideration for the payment of $60,000 by the Company. The Company will pay Easy Aerial USD$225,000 as well as such number of shares that will yield Easy Aerial 10% interest in the Company's issued and outstanding shares on a fully diluted basis, as of the Company's first financing. . In consideration for the foregoing, Easy Aerial has granted to the Company a non-exclusive license to use the centering mechanism patent owned by Easy Aerial for the purpose of demonstrating the prototype to third parties, as well as for commercialization purposes. With respect to rights granted by Easy Aerial for certain of its patents, the commercialization of a marketable system by the Company shall be subject to a $50 royalty for each system sold that makes use of such patents. Easy Aerial has agreed to provide the Company with up to 250 consulting hours per month for up to six (6) months in order to support the transition of any remaining engineering "know how" to the Company. The Company agrees to pay Easy Aerial a fee of $115 per hour for such services (less a $30,000 credit previously advanced by the Company) and Easy Aerial will no longer develop any further prototypes for the Company (other than in respect of ongoing consulting services). As such, the resultant proprietary software developed by the Company, together with all hardware systems, are the intellectual property of the Company.

Drone Harmony Agreement

The following description of the Drone Harmony Agreement is qualified in its entirety by the Drone Harmony Agreement itself, which has been filed under the Company's SEDAR profile at www.sedar.com. Readers should review the Drone Harmony Agreement in its entirety for a better understanding of the Drone Harmony Agreement.

Pursuant to the Drone Harmony Agreement, Drone Harmony has agreed to participate in the development of a drone-based alarm response system. The parties anticipate three distinct segments to their collaboration: an initial prototype project; the development of a commercial system; and subsequent technical support and maintenance.

Drone Harmony will provide the prototype software within 4-6 months of the effective date and will make the software available as a web application. Drone Harmony commits to hosting the application for one year following the completion of the prototype. Should the prototype project be successful, Drone Harmony commits to developing and assisting the Company in the development of commercial software for the commercial system on a long-term basis. As Drone Harmony will be receiving equity in the Company for Drone Harmony's contributions to the prototype project, as well as ongoing contribution payments, Drone Harmony agrees that any work it is tasked to undertake for the commercial system and/or long-term maintenance and support agreements will be charged at Drone Harmony's cost. Drone Harmony will provide the Company with a maximum of 120 hours of technical assistance and support to deal with any minor issues with the prototype software. the Company will provide Drone Harmony with non-exclusive distribution rights for the commercial system on the same commercial terms as the Company's most favoured customer. Drone Harmony will own and retain title to any new intellectual property, including the prototype software and, if and when developed, the commercial software. The Drone Harmony Agreement contains very favourable terms for Drone Harmony in respect of intellectual property ownership. Drone Harmony grants the Company a worldwide exclusive license to the prototype software and, if and when developed, the commercial software, for the field of use. This right permits the Company to use the commercial software for the conduct of the Company's business, including the right to host the commercial software, and to allow customers, distributors, installers and other such interested persons to use the commercial software in conjunction with the ordinary use of the commercial system. This exclusive license will be subject to Drone Harmony's receipt of timely compensation, which has already been paid. The exclusive license is further limited as follows: (a) the Company's use of the prototype software will be limited to the purpose of demonstrating the prototype to third parties and no other, (b) the Company will not be entitled to receive the source code for the prototype software, the commercial software (if and when developed) or any other software developed under this agreement, and (c) Drone Harmony may license its software (including Drone Harmony's background intellectual property and new intellectual property) to end users (individuals or legal entities that use/acquire the software for their own use and not for resale or distribution) for any field of use, as long as the software is not designed to respond to security alarms. The Drone Harmony Agreement and the exclusive license provided may be transferred to a purchaser of all or substantially all of the Company assets or business, unless the purchaser competes with Drone Harmony. Monetary compensation for Drone Harmony's services for the prototype project will total USD$220,000 and the equity compensation will be a number of common shares that will yield Drone Harmony with a 4% interest in the Company's issued and outstanding shares on a fully diluted basis. With reference to contribution payments, Drone Harmony will be paid on an on-ongoing basis for the Company's use of Drone Harmony 's background intellectual property and new intellectual property, including any software developed under this agreement, in the amount 1.5% of net sales arising from: (a) the sale or lease of system units (b) recurring revenue arising from providing services associated with monitoring the system, and (c) any other sale or lease of a product or service containing Drone Harmony's intellectual property. The contribution payments will commence from the date of the first revenue generated from (a) (b) or (c) and extend for 10 years. During the term of this agreement and for a period of five years thereafter, Drone Harmony agrees that it will not compete against the Company's business in the field of use on a worldwide basis.

Business Model

The Company is in the process of designing and building the world's first FAA BVLOS certified fully autonomous drone in a box system for security alarm response applications.

Currently, the alarm/security industry faces the following challenges:

1. 98% of alarms are false alarms, roughly 36 million per year, with a cost of approximately $1.8 billion in wasted resources responding to these false alerts annually.

2. These false alarms are also a drain on fire, police and other emergency response services.

3. Real alarm response is weakened due to the lack of resources caused by the large number of false alarms each requiring resource intensive human responses.

4. Properties can become blacklisted for too many false alerts.

5. Cities have begun instituting ordinances requiring an alarm to be verified before police will respond.

The Company is in the process of developing the world's first and only known BVLOS-certified fully autonomous drone in a box system for security alarm augmentation. The Eagle Watch System being developed by the Company would be a fully autonomous suite of robotic systems including an indoor robot and aerial and a drone station to house and secure the drone, integrated into an existing alarm system. When an alarm is triggered, the robotic systems can respond automatically and travel to the zone where the alarm was triggered and provide real time sensor information from the area to the Company's trained response team personnel at the Command and Control Center. Live video and audio are captured and recorded to validate and verify the situation, and to provide needed confirmation for police and other emergency service response.

Environmental Protection

The Company is committed to high environmental standards and carries out its activities and operations in compliance with all relevant and applicable environmental regulations and best industry practices. Costs of environmental regulatory compliance are not expected to be significant.

Employees

As of the date of this Prospectus, the Company has two employees and nine independent contractors, including, an aerospace engineer providing services out of Canada, two senior software developers, a senior Amazon Web Services engineer, a UI/UX developer, all of which are providing services out of Romania, and a mechanical engineer/prototype fabricator providing services out of Argentina.

Intellectual Property

The table below contains a record of the patents and trademarks the Company currently owns and/or holds:

Document Identifier	Type of IP Asset	Description	Status	U.S./CAN	Estimated Expiration Date
62889275	Patent	Drone Security System	Pending	U.S.	N/A
63315514	Patent	Robotic Autonomous Vehicles to Augment Security Systems	Filed Provisional	U.S.	2/1/2023
63327808	Patent	Methods and systems for Calibrating Drone Compass Offset Using Ground Station	Filed Provisional	U.S.	4/6/2023

As of the date of this Prospectus, the Company has not had any patent or trademark related complaints, warnings, letters of cessation or other similar notices. In addition to the foregoing, the Company is continuously conducting research and development and anticipates that it will file for a number of additional patents relating to its products under development.

Business Objectives and Milestones

In the following 12-month period, the business objective of the Company is to bring to market its robotic security system. The Company intends to do this by accomplishing the following business objectives:

1. complete miniaturizing and commercial engineering development;
2. obtain required regulatory approvals and licenses;
3. equipment testing and quality assurance;
4. integration of the Command and Control Center software; and
5. finalization of agreements with channel partners.

The Company anticipates that in order to complete the business objectives, it will have to meet the following milestones:

Description of Milestone	Estimated Cash Required	Estimated Time Frame
Miniaturizing and commercial engineering	$300,000	Q3 2022 - Q4 2022(1)
FAA integration & testing program; BVLOS certification	$200,000	Q3 2022 – Q4 2023(2)
Equipment Testing & QA	$300,000	Q3 2022 – Q1 2023
Integration of Command and Control Center Software	$100,000	Q4 2022
Total:	$900,000	

Notes:

(1) Finalize working prototype of the Eagle Eye is estimated to be in Q3 2022 and the finalizing Eagle Rover prototype is estimated to be in Q4 2022.

(2) Obtaining FAA R&D Waiver is estimated to be in Q3 2022 and obtaining FAA waiver for local markets is estimated to be in Q4 2023

Specialized Skills and Knowledge

The Company has assembled a team comprised of its Board, management and consultants, who have expertise in various areas of business that are essential to providing the Company with the expertise necessary to successfully develop and its products. Such skills and knowledge include, but are not limited to:

- Aerospace Engineering;
- Software Development;
- Amazon Web Services Engineering;
- Cyber security;
- Full Stack Development;
- Mechanical Engineering;
- Prototype Fabrication;
- Cyber security; and
- Autonomous flight operations.

USE OF AVAILABLE FUNDS

No additional consideration will be received by the Company in connection with the exercise of the Subscription Receipts upon the occurrence of the Release Condition. However, the gross proceeds from the issuance of the Subscription Receipts were placed in escrow with the Escrow Agent as more particularly described under the heading "*Description of Securities – Subscription Receipts*," and upon the occurrence of the Release Condition on or before the Deadline, the Escrowed Funds (other than the finders' fees and reimbursable expenses of the finder, which are to be paid to the finder) will be released to the Company. The net proceeds to the Company from the issuance of the Subscription Receipts will be $2,682,500.

Available Funds

As at March 31, 2022, being the most recent month end prior to the date of this Prospectus, the Company has approximately $2,672,788 of cash (assuming the release of the Escrowed Funds) available for use over the next 12 months.

The Company will require additional funds to grow its business beyond the proposed uses as set out herein. The Company intends to make additional debt and/or equity offerings to raise further funds. See "*Risk Factors*".

Description of Milestone	Estimated Cash Required	Estimated Time Frame
Miniaturizing and commercial engineering	$300,000	Q3 2022 - Q4 2022(1)
FAA integration & testing program; BVLOS certification	$200,000	Q3 2022 – Q4 2023(2)
Equipment Testing & QA	$300,000	Q3 2022 – Q1 2023
Integration of Command and Control Center Software	$100,000	Q4 2022
Total:	$900,000	

Notes:

(1) Finalize working prototype of the Eagle Eye is estimated to be in Q3 2022 and the finalizing Eagle Rover prototype is estimated to be in Q4 2022.

(2) Obtaining FAA R&D Waiver is estimated to be in Q3 2022 and obtaining FAA waiver for local markets is estimated to be in Q4 2023

Principal Purposes

The principal purposes for which the funds available are intended to be used, in order of priority, are as follows:

Item	**Amount**
Miniaturizing and commercial engineering(1)	$300,000
FAA integration & testing program; BVLOS certification	$200,000
Equipment Testing & QA	$300,000
Integration of Command and Control Center Software	$100,000
General and administrative costs(2)	$1,040,000
CSE Listing fees, legal and auditor fees	$250,000
Unallocated working capital	$482,788
Total	$2,672,788

Notes:

(1) Includes the buildout of 20 drones ($120,000) and engineering team ($180,000)

(2) General and administrative costs include management and employee salaries ($725,000), consulting fees ($300,000) relating to the business of the Company and other costs ($150,000).

The Company intends to spend its available funds as set out in this Prospectus. However, there may be situations where, due to changes in the Company's circumstances, business outlook, and/or for other circumstances, that a reallocation of funds is necessary for the Company to achieve its overall business objectives.

In addition, the current COVID-19 pandemic as well as future unforeseen events mayimpact the ability of the Company to use the available funds as intended or disclosed. Management has, and will continue to have, the discretion to modify the allocation of the Company's available funds. If management determines that a reallocation of funds is necessary, the Company may redirect its availablefunds towards purposes other than as described in this Prospectus. The actual amount that the Company spends in connection with each of the intended uses of funds may vary significantly from the amountsspecified above and will depend on a number of factors, including those referred to under "*Risk Factors*".

Impact of COVID-19

To date, the COVID-19 pandemic has not had a material impact on the Company's operations, business plans or milestones. Although the Company does not currently anticipate that the COVID-19 pandemic will materiallyinterfere with the objectives and timelines set out above, due to the evolving nature of COVID-19 and its impacts,these timelines may require adjustment in the future. See "*Risk Factors – Impact of COVID-19*".

Negative Operating Cash Flow

Since its inception on May 19, 2019, the Company has generated negative operating cash flows and there are no assurances that the Company will experience positive cash flow from operations in the future. The Companyhas to this date funded its operations with proceeds from equity financings. If the Company continues to have negative cash flow into the future, it may be required to raise additional funds through equity financings to continue as a going concern. See "*Risk Factors*".

DIVIDENDS AND DISTRIBUTIONS

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares, and does not currently have a policy with respect to the payment of dividends or other distributions. Additionally, the Company does not intend to pay dividends in the foreseeable future. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on numerous factors, including compliance with applicable laws, financial performance, working capital requirements of the Company and its subsidiaries, as applicable and such other factors as its directors consider appropriate. There can be no assurance that the Company will pay dividends under any circumstances. See "*Risk Factors – Dividends".*

FINANCIAL STATEMENT DISCLOSURE

The following selected financial information has been derived from and is qualified in its entirety by the Financial Statements and should be read in conjunction with such Financial Statements and the related notes thereto along with the MD&A thereto, which are included in Schedules "A" to "B" of this Prospectus. All Financial Statements discussed in this Prospectus are prepared in accordance with IFRS, and were approved by a resolution of the Board on April 14, 2022. The Company's year-end is November 30.

	As at and for the year ended November 30, 2021 (audited) ($)	**As at and for the year ended November 30, 2020 (audited) ($)**
Total revenues	Nil	Nil
Expenses	1,310,959	1,199,197
Net loss and comprehensive loss	1,981,969	1,199,202
Basic loss per share	0.48	0.29
Current assets	294,080	105,991
Total assets	1,087,496	823,369
Current liabilities	1,431,697	1,335,955
Total liabilities	3,527,051	1,335,955
Total shareholders' deficiency	2,439,555	512,586

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management’s discussion and analysis of the Company’s financial condition and results of operations (“**MD&A**”) for the year ended November 30, 2020 and for the year ended November 30, 2021 and are attached to this Prospectus as Schedule “B”.

The MD&A should be read in conjunction with the Financial Statements, all of which have been prepared in accordance with IFRS. All amounts are expressed in Canadian dollars, unless otherwise identified. The MD&A is presented as of the date of this Prospectus and is current to that date unless otherwise stated.

The MD&A contains forward-looking information. Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that the Company considered appropriate and reasonable as of the date such statements are made, and are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors described under “*Risk Factors*”. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information, which speaks only as of the date made. See “*Statement Regarding Forward-Looking Information*”.

DESCRIPTION OF SECURITIES

No securities are being offered pursuant to this Prospectus.

The Company’s authorized common share capital consists of an unlimited number of Common Shares without par value. As at the date of this Prospectus, there were 246,225,600 Common Shares issued and outstanding, after giving effect to the Share Split.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the Shareholders and each Common Share confers the right to one vote in person or by proxy at all meetings of the Shareholders. The holders of the Common Shares, subject to the prior rights, if any, of any other class of sharesof the Company are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares do not have pre-emptive rights, conversion rights or exchange rights and are not subject to redemption, retraction purchase for cancellation or surrender provisions. There are no sinking or purchase fundprovisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

Warrants to Purchase Common Shares

As of the date hereof, the Company had warrants to purchase: (a) 31,867,200 Common Shares at an exercise price of $0.02, which expire November 27, 2022 (“**Prior Issued Warrants**”); (b) 7,000,000 Common Shares at an exercise price of $0.10 per share, which expire November 22, 2023 (“**November Debenture Warrants**”). In addition, upon the exercise of the Subscription Receipts the Company will issue the Subscription Receipt Warrants to purchase 53,650,000 Common Shares at an exercise price of $0.10 which will expire 24 months from the date of issue, and Finder Warrants to purchase 1,418,000 Units for a period of 24 months from the occurrence of the Release Condition. See “*Prior Sales*”.

Options to Purchase Common Shares

The Board adopted a stock option incentive plan. See also "*Options to Purchase Securities*".

Subscription Receipts

The Company issued an aggregate of 53,650,000 Subscription Receipts on December 30, 2021 and March 31, 2022. In the event that the Release Condition occurs on or prior to the Deadline, the Subscription Receipts will be automatically converted into 53,650,000 Subscription Receipt Shares and 53,650,000 Subscription Receipt Warrants, the Escrowed Funds will be released from escrow to the Company, and the Subscription Receipts shall be cancelled. In the event that the Release Condition does not occur on or prior to the Deadline, the Escrowed Funds will be returned to the subscribers, the Subscription Receipts will be cancelled, and no party shall have any further obligations thereunder.

Upon conversion of the Subscription Receipts into Subscription Receipt Shares and Subscription Receipt Warrants, holders of such Subscription Receipt Shares shall be entitled to all of the same rights as holders of Common Shares.

For more information, see the full text of the Subscription Receipt Agreement on the Company's SEDAR profile at www.sedar.com

March 2021 Debentures

As of the date of this Prospectus, there are outstanding March 2021 Debentures in the aggregate principal amount of $1,200,000. The March 2021 Debentures were issued in connection with the March 2021 Debenture Private Placement.

The March 2021 Debentures were issued by the Company on March 11, 2021. The March 2021 Debentures are unsecured and will mature on December 31, 2022. The March 2021 Debentures bear interest at a rate of 10% per annum, to be calculated monthly and paid on maturity.

Subject to the terms and conditions of the March 2021 Debentures, each March 2021 Debenture entitles the holder thereof to receive, automatically and without payment of any additional consideration and with no further action on the part of the holder thereof, on the March 2021 Debenture Conversion Date, such number of Common Shares as is equal to the principal amount of such March 2021 Debenture together with all accrued and unpaid interest (if the Company elects not to pay interest in cash), divided by the March 2021 Conversion Price, subject to adjustment in certain circumstances.

Assuming the March 2021 Debenture Conversion Date occurs prior to June 1, 2022, a total of 33,673,969 Common Shares will be issued as follows: (a) 30,000,000 Common Shares issuable in respect of the principal amount of the Debentures, and (b) 3,673,969 Common Shares issuable in respect of accrued and unpaid interest on the Debentures.

November 2021 Debentures

As of the date of this Prospectus, there are outstanding November 2021 Debentures in the aggregate principal amount of $350,000. These November 2021 Debentures were issued in connection with the November 2021 Debenture Private Placement.

The November 2021 Debentures were issued by the Company on November 22, 2021. The November 2021 Debentures are unsecured and will mature on the earlier of (i) November 22, 2022; and (ii) 30 days following the listing of the common shares on a qualified Canadian exchange (the "**November 2021 Maturity Date**"). The November 2021 Debentures bear interest at a rate of 5% per annum, to be calculated monthly and paid on maturity.

Subject to the terms and conditions of the November 2021 Debentures, the November 2021 Debentures together with any unpaid interest, may be convertible into Common Shares at the option of the holder, in whole or in part, at the November 2021 Conversion Price at any time prior to the November 2021 Maturity Date.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Company has granted to each holder of a Subscription Receipt a contractual right of rescission of the Prospectus-exempt transaction under which the Subscription Receipt was initially acquired. The contractual right of rescission provides that if a holder of a Subscription Receipt who acquires another security of the issuer on exercise of the Subscription Receipt as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation,

1. the holder is entitled to rescission of both the holder's exercise of its Subscription Receipt and the private placement transaction under which the Subscription Receipt was initially acquired,

2. the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the Subscription Receipt, and

3. if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

CONSOLIDATED CAPITALIZATION

Other than as disclosed below, there have been no material changes in the Company's share and loan capital since November 30, 2021 (the date of its most recently completed financial period for which financial statements are included in this Prospectus), other than those occurring due to the offering.

The capitalization of the Company as at November 30, 2021, both before and after giving effect to the offering, is as follows, and must be read in conjunction with the Financial Statements that appear elsewhere in this Prospectus.

Description of Issued Securities	Number of Securities Authorized	Outstanding as at November 30, 2021	Outstanding as at the date of this Prospectus (after the Share Split)	Outstanding as at the date hereof (after the Share Split and after giving effect to the Conversion Securities)
Common Shares	Unlimited	4,103,760	246,225,600	334,967,569
Subscription Receipts	-	NIL	53,650,000	NIL
Options(1)	-	NIL	21,500,000	21,500,000
Warrants(2)	-	531,120	38,867,200	92,517,200
Finder Warrants(3)	-	NIL	NIL	1,418,000
March 2021 Debentures(4)	-	$1,200,000	$1,200,000	NIL
November 2021 Debentures(5)	-	$350,000	$350,000	$350,000
Debt(6)	-	$1,550,000	$1,550,000	$350,000

Notes:

1. For further description of the Options, please see "*Options to Purchase Securities*".
2. For further description of the Prior Issued Warrants and November Debenture Warrants, please see "Description of Securities".
3. For further description of the Finder Warrants, please see page 2 of this Prospectus.
4. For further description of the March 2021 Debentures, please see "Description of Securities".
5. For further description of the November 2021 Debentures, please see "Description of Securities".
6. Comprised of the March 2021 Debentures and the November 2021 Debentures.

OPTIONS TO PURCHASE SECURITIES

The Company has adopted an incentive stock option plan (the "**Plan**") pursuant to which it has issued options to purchase an aggregate of 21,500,000 Common Shares as set out in the table below (the "**Stock Options**"). The Plan was approved by the Shareholders on April 11, 2022 (the "**Grant Date**").

The Plan provides that the Board may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase Common Shares exercisable for a period of up to five years from the date of grant. The exercise price for each option shall be determined by the Board, subject to the polices of the CSE, at the time the option is granted, but such price shall not be less than the higher of the closing prices of the Common Shares on either the date of grant or the trading day prior to the date of grant. The Board may determine in its discretion which options shall vest and the method of vesting. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company provided that if the cessation of office, directorship, employment, or consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to the expiry date of such option.

The number of Common Shares reserved for issuance under the Plan in aggregate shall not exceed 10% of the aggregate issued and outstanding shares of the Company at the time of grant, but this maximum number may be revised from time to time by the Board. The CSE policies provide that a stock option may not be amended once it has been issued. In the event of cancelation, new options may not be granted to the same party until the Company posts notice of the cancellation and 30 days have elapsed from the date of cancellation. If any option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

The number of Stock Options which may be granted under the Plan (calculated at the Grant Date), within a 12 month period:

1. to any one optionee, shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis at the time of the grant unless Disinterested Approval (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions*) is obtained;

2. to any one consultant shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis at the time of the grant;

3. all Eligible Persons (as defined in the Plan) who undertake Investor Relations Activities (as defined in the Plan)shall not exceed 1% in the aggregate of the total number of issued and outstanding Common Shares in any 12 month period, on a non-diluted basis; and

4. unless shareholder approval is obtained as provided for in Section 2.25 of National Instrument 45-106 – *Prospectus Exemptions* (which includes Disinterested Approval, as defined therein) following the distribution:

   (i) the number of Common Shares, calculated on a fully diluted basis, reserved for issuance upon exercise of options to directors, executive officers or related entities of the Company, or an associate or permitted assign of directors, executive officers or related entities of the issuer (collectively, "**related persons**") <u>may not</u> exceed 10% of the issued and outstanding Common Shares in a 12 month period (5% to an individual related person); and

   (ii) the number of Common Shares, calculated on a fully diluted basis, issued in 12 months upon exercise of options to a related person <u>may not</u> exceed 10% of the issued and outstanding Common Shares in a 12 month period (5% to an individual related person).

As at the date hereof, the Company issued an aggregate of 21,500,000 Stock Options under the Plan. The following table summarizes the options issued as of the date of this Prospectus:

Group	Number of Options/ Rights	Securities Under Options/ Rights	Grant Date	Expiry Date	Exercise Price per Common Share ($)	Market Value of Common Shares on Grant Date[(2)] ($)	Market Value of Common Shares as of Date of Prospectus[(2)] ($)
Executive officers of the Company as a group (3) (*Charles Zwebner 10,000,000, Jason Braverman 6,000,000, Bennett Kurtz 3,000,000*)[(1)]	19,000,000	19,000,000	April 11, 2022	April 11, 2025	$0.05	N/A	N/A
Directors of the Company as a group who are not also officers (1) (*Binyomin Posen, 2,500,000*)[(1)]	2,500,000	2,500,000	April 11, 2022	April 11, 2025	$0.05	N/A	N/A
Total	**21,500,000**	**21,500,000**					

Notes:
(1) These options vest quarterly over two years.
(2) The Company's shares do not yet trade on any market.

PRIOR SALES

The following table summarizes the issuances of Common Shares and securities that are convertible or exchangeable into Common Shares in the 12 months prior to the date of this Prospectus:

Date of Issuance/Grant	Type of Security	Number of Shares	Issue/Exercise Price
November 22, 2021	November 2021 Debentures	350	$1,000.00
November 22, 2021	November Debentures Warrants	7,000,000	N/A
December 30, 2021	Subscription Receipts	42,100,000	$0.05
March 31, 2022	Subscription Receipts	11,550,000	$0.05
April 11, 2022	Options	21,500,000	N/A

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As of the date of this Prospectus, except as described below, no securities of the Company are held, to the knowledge of the Company, in escrow pursuant to the CSE Policy 2 and 46-201F1 – *Escrow Agreement* or are subject to a contractual restriction on transfer.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	137,936,544(1)(2)	41%

Notes:

(1) 98,940,960 of these Common Shares are subject to private escrow agreements, as described in further detail below under the subheading "*Contractual Restriction on Transfer*".

(2) 38,995,584 of these Common Shares are subject to the Escrow Agreement, as described in further detail below under the subheading "*Escrowed Securities*".

1. Escrowed Securities

On or before completion of the Listing, in accordance with CSE Policy 2, the Escrowed Securityholders (constituting "Related Persons" as defined in the policies of the CSE) will enter into the Escrow Agreement with Endeavor Trust Corporation, as escrow agent (the "**Escrow Agent**"), pursuant to which these parties will collectively deposit 38,995,584 Common Shares (the "**Escrowed Securities**") with the Escrow Agent, representing 11.64% of the issued and outstanding Common Shares.

The Escrowed Securities are subject to the terms and conditions set out in the Escrow Agreement, which is substantially in the form of 46-201F1 – *Escrow Agreement*, the form of agreement for escrow arrangements under NP 46-201, subject to an amendment made to the escrow release period as described below.

Pursuant to the Escrow Agreement, the Escrow Securityholders may not sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with their respective Escrowed Securitiesor any related share certificates or other evidence of their Escrowed Securities for a period of 36 months beginning on the date of Listing as set out below. In addition, any Common Shares received upon the conversion of Warrants or Options by the Escrowed Securityholders are required to be deposited in escrow and are releasable upon the same terms as set out below.

Upon the completion of the Listing, the Company will be an "emerging issuer" pursuant to NP 46-201 and, as such, the Escrowed Securities will be subject to a three year escrow and subject to the following release schedule:

Time or event for release of Escrowed Securities	Percentage of Common Shares to be Released	Number of Common Shares to be Released
On the Listing Date	10% of the Escrowed Securities	3,899,558
6 months after the Listing Date	15% of the Escrowed Securities	5,849,337
12 months after the Listing Date	15% of the Escrowed Securities	5,849,337
18 months after the Listing Date	15% of the Escrowed Securities	5,849,338
24 months after the Listing Date	15% of the Escrowed Securities	5,849,338
30 months after the Listing Date	15% of the Escrowed Securities	5,849,338
36 months after the Listing Date	15% of the Escrowed Securities	5,849,338
TOTAL		**38,995,584**

2. Contractual Restrictions on Transfer

The Company has entered into a series of private escrow agreements with 33 shareholders holding an aggregate of 98,940,960 Common Shares such that the following securities were subject to a timed-release escrow as follows:

Time or event for release of Escrowed Securities	Number of Common Shares to be Released
On the Listing Date	8,245,080
1 month after the Listing Date	8,245,080

Time or event for release of Escrowed Securities	Number of Common Shares to be Released
2 months after the Listing Date	8,245,080
3 months after the Listing Date	8,245,080
4 months after the Listing Date	8,245,080
5 months after the Listing Date	8,245,080
6 months after the Listing Date	8,245,080
7 months after the Listing Date	8,245,080
8 months after the Listing Date	8,245,080
9 months after the Listing Date	8,245,080
10 months after the Listing Date	8,245,080
11 months after the Listing Date	8,245,080
TOTAL	**98,940,960**

PRINCIPAL SECURITYHOLDERS

As at the date of this Prospectus, to the Company's knowledge, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attaching to all issued and outstanding Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Director and Executive Officer Profiles

The following table sets forth the name of each director and executive officer of the Company as at the date of this Prospectus, their province or state and country of residence, their position(s) and office(s) held with the Company, their principal occupation(s) during the preceding five years, the date they became a director of the Company, if applicable, and the number and percentage of Common Shares they beneficially own, or control or have direction over, directly or indirectly.

Name and Municipality of Residence	Positions and Offices to be Held	Principal Occupation During the Past Five Years	Number and Percent of Common Shares Beneficially Owned	Director and/or Officer Since Date of Appointment
Charles Zwebner(2) *Toronto, Ontario*	CEO, Corporate Secretary and Director	CEO of the Company.	31,689,420 (9.5%)	May 16, 2019
Anthony Heller(2) *Toronto, Ontario*	Director	President of Plazacorp Investments Limited	7,306,164(1) (2.2%)	April 11, 2022

Name and Municipality of Residence	Positions and Offices to be Held	Principal Occupation During the Past Five Years	Number and Percent of Common Shares Beneficially Owned	Director and/or Officer Since Date of Appointment
Jason Braverman *Toronto, Ontario*	Chief Technology Officer	CTO of SkyX Systems	Nil	January 1, 2022
Binyomin Posen(2) *Toronto, Ontario*	Director	Senior Analyst at Plaza Capital	Nil	April 11, 2022
Bennett Kurtz *Toronto, Ontario*	Chief Financial Officer	CEO of Kurtz Financial Group	Nil	March 1, 2022

Notes:

(1) Held by Helmsbridge Holdings Limited, Plazacorp Investments Limited and Helmsbridge Holdings ULC, entities owned by Anthony Heller

(2) Audit Committee member.

Term of Office of Directors

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

Aggregate Ownership of Securities

To the Company's knowledge as at the date of this Prospectus, its directors and executive officers as a group will beneficially own, or control or direct, directly or indirectly, 38,995,584 Common Shares, representing approximately 11.64% of the outstanding Common Shares on a non-diluted basis.

Director and Executive Officer Biographies

Below is a brief description of each of the directors and executive officers of the Company including: names; ages; positions and responsibilities; relevant background; principal occupations or employment during the five years preceding the date of this Prospectus; and relevant experience in the industry.

Charles Zwebner, Age 63, Chief Executive Officer, Corporate Secretary and a Director

Mr. Zwebner is an entrepreneur with over 25 years of experience in the telecommunications and technology sectors. He has successfully founded and sold several communication and technology related businesses. Mr. Zwebner is the founder of YAK Communications Inc. ("**YAK**") and has served as Chief Executive Officer and Chairman of the Board of Directors since its inception in December 1998 until its sale to Globalive Communications Corp. in 2006. At its peak, YAK was a NASDAQ listed company with over $100 million in annual revenues, 850,000 clients, and 175 employees. Prior to YAK, Mr. Zwebner served as the President of CardCaller Canada Inc. ("**CardCaller**") (1992-1998) and was a member of its Board of Directors. Mr. Zwebner founded CardCaller in 1992, which developed the first Canadian fixed amount prepaid, multilingual telephone calling card. In June 1997, the shareholders of CardCaller's parent company, CardCall International Holdings, Inc. ("CIH"), including Mr. Zwebner, sold all of their shares in CIH to a US public corporation.

Mr. Zwebner turned his focus on the UAV section by founding Volaero UAV & Drones Holding Corp. during 2016. Volaero is a drone technology solution company that provides the commercial marketplace with a "hands on end-to-end drone business solution" including the sale, rental, service, support, piloting, data analytics and reporting of data, through the adoption and application of superior integrated drone technologies. Volaero satisfies clients commercial data capture and processing needs, principally in the real estate, construction, surveying, infrastructure, telecommunications, and agricultural industries. By applying these superior drone technologies to specific task applications, clients will save time, money and resources; enhance efficiencies; receive analytics and data collection, and reduce response times. As at December 1, 2021 Volaero, as a result of the COVID-19 environments, suspended its operations.

Mr. Zwebner founded RDARS Inc. in May 2019 and has served as the Chief Executive Officer and a director of the Company since its inception. Mr. Zwebner is an Investor Member of the Miami-Dade Beacon Council Aviation Committee, and part of the lead team for the Drone Subcommittee for economic development and job growth in Miami-Dade. Additionally, Mr. Zwebner is licensed by the FAA as a "Remote Pilot" and has held such designation since November 2016. Mr. Zwebner holds a BA in Computer Science and Business Administration from York University. Mr. Zwebner was the 2006 recipient of the Ernst & Young Canadian Entrepreneurship Award-of-the-Year in the Technology Sector. Mr. Zwebner expects to devote 90% of his time to the affairs of the Company.

Bennett Kurtz, Age 61, Chief Financial Officer

Bennett Kurtz is President and CEO of Kurtz Financial Group, a corporate finance company offering a full range of consulting and investment banking services to companies seeking growth. Mr. Kurtz has been involved in financing public companies and taking private companies public through reverse mergers. In addition to the above, Mr. Kurtz is also the CEO of First Potash Corp. Mr. Kurtz has several years of experience as senior management in sales, marketing, finance and administration including business analysis, public business unit segmentation, combining strong analytical skills. Mr. Kurtz expects to devote approximately 30% of his time to the affairs of the Company.

Anthony Heller, Age 70, Director

Anthony Heller is the President of Plazacorp Investments Limited (a residential and commercial real estate development firm), which is currently building over 2,000 residential condominium units in the Greater Toronto area and has completed 35 condominium projects since 1995. Mr. Heller is a director of Firm Capital Mortgage Investment Corporation and is also the largest shareholder and a director of Findev Inc, a public company listed on the Toronto Venture Exchange. Mr. Heller expects to devote 5% of his time to the affairs of the Company.

Jason Braverman, Age 51, Chief Technology Officer

Jason Braverman is a 35-year technology veteran, strategically focused visionary offering proven success in planning, designing, building, and innovating next generation technologies. Mr. Braverman is highly effective serving as an organizational bridge between business and technical organization for problem-solving, future technology planning, and continuing performance improvement. Mr. Braverman is well versed in organizational information security, administration policy creation, and full life cycle project management. Mr. Braverman will devote approximately 90% of his time to the affairs of the Company.

Binyomin Posen, 30, Director

Binyomin Posen is a Senior Analyst at Plaza Capital Limited, where he focuses on corporate finance, capital markets and helping companies to go public. After three and a half years of studies overseas, he returned to complete his baccalaureate degree in Toronto. Upon graduating (on the Dean's List) he began his career as an analyst at a Toronto boutique investment bank where his role consisted of raising funds for IPOs and RTOs, business development for portfolio companies and client relations. Mr. Posen will devote approximately 5% of his time to the affairs of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company's directors or executive officers is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (an "**Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out below, none of the Company's directors or executive officers, nor, to its knowledge, any Shareholder holding a sufficient number of its securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or Shareholder.

None of the Company's directors or executive officers, nor, to its knowledge, any Shareholder holding a sufficient number of its securities to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authorityor has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, except as disclosed elsewhere in this Prospectus, the Company is not aware of any existing or potential material conflicts of interest between the Company and any of its directors orofficers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors, officers or shareholders of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See also *"Risk Factors– Conflicts of Interest"***.**

Pursuant to the OBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions,they will refrain from voting on any matters relating to matters in which they have disclosed a material interest.In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

See also "*Interest of Management and Others in Material Transactions"*.

DIRECTOR AND EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from the securities regulatory authorities in the Provinces of Ontario and British Columbia, the Company was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation – Venture Companies* ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. "**Named Executive Officer**" is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) the most highly compensated executive officer of the Company, including any of its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year ended November 30, 2021, whose total compensation was individually more than $150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year.

As of the date of this Prospectus, the Company has the following Named Executive Officers: Charles Zwebner who is the Chief Executive Officer, Bennett Kurtz who is the Chief Financial Officer and Jason Braverman who is the Chief Technology Officer.

Compensation Governance

The Company's compensation program intends to seek to encourage growth in all elements of the Company's business, cash flow, and earnings while achieving attractive returns on capital to enhance shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain a compensation program that will attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives, motivate their performance to achieve the Company's strategic objectives and align the interests of executive officers with the long-term interests of the Shareholders and enhancement in share value.

The Company has not been a reporting issuer during any financial period to date. The Company compensates its NEOs through the following: (i) base fees; (ii) discretionary cash bonuses paid from time to time based on performance; and (iii) long-term incentive compensation comprised of grants of Options at levels which the Board believes are reasonable in light of the performance of the Company.

Base Fees

Base fees are intended to compensate each NEO's core competencies, skills, experience, and contribution to the Company. The Board believes that base fees should be competitive but total compensation should be weighted toward variable, long-term performance-based components.

The Board will review and select a compensation peer group of companies operating in areas with an operational and risk profile similar to the Company. Base fees will be compared to the Company's industry peer group through publicly available information and available compensation surveys prepared by compensation consultants. Consideration has been and will be given to the Company's growth plans, area of operations and its objective of attracting and retaining highly talented individuals from within the industry.

Cash Bonus

Discretionary cash bonuses are intended to motivate and reward the accomplishment of specific business and operating objectives within a defined period. Cash bonuses are paid at the discretion of the Board based upon the achievement of certain corporate objectives. Cash bonuses awarded by the Board are intended to be generally competitive with the market. The Board considers the Company's performance during the year with respect to the qualitative goals in the context of market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments, and other extenuating circumstances in making bonus determinations.

Given the early stage of development of the Company and its lack of sustained cash flow, no cash bonus payments were paid in 2020 or as of the date of this Prospectus. At this point no bonuses are intended to be paid for the foreseeable future. Similar to the determination of base fees, consideration will be given to the Company's compensation peer group when determining the final amount of any cash bonuses to be paid.

Proposed cash bonuses for NEOs, excluding the President and/or Chief Executive Officer, will be recommended by the Chief Executive Officer, reviewed by the Board, and, if deemed appropriate, approved. See also "*Options to Purchase Securities - Stock Option Plan*".

Compensation, excluding Options and Compensation Securities

The following table sets out the compensation, excluding Options and compensation securities, paid to the individuals who were NEOs from the period of incorporation on May 19, 2019 to November 30, 2021:

Table of Compensation Excluding Options and Compensation Securities								
Name and Principal Position	**Year Ended Nov 30[1]**	**Salary, consulting fee, retainer or commission ($)**	**Bonus($)**	**Committee or meeting fees ($)**		**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total Compensation ($)**
Charles Zwebner *Chief Executive Officer and Director*	2021	402,000	N/A	N/A	N/A	N/A	N/A	402,000
	2020	402,000	N/A	N/A	N/A	N/A	N/A	402,000
	2019	217,750	N/A	N/A	N/A	N/A	N/A	217,750
Bennett Kurtz[1] *Chief Financial Officer*	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jason Braverman[2] *Chief Technology Officer*	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

1. The Company was formed on May 19, 2019.
2. Bennett Kurtz was appointed Chief Financial Officer on March 1, 2022.
3. Jason Braverman was appointed Chief Technology Officer on January 1, 2022.

The compensation set out above is based on current conditions in the Company's industry and on the associated approximate allocation of time for the Named Executive Officers listed above and is subject in future to adjustments based on changing market conditions and corresponding changes to required time commitments. Following the Listing, the Company will review its compensation policies and may adjust them if warranted byfactors such as market conditions.

Stock Option Plan

As of the date of this Prospectus, the Company has granted an aggregate of 21,500,000 Options under the Stock Option Plan. See "*Options to Purchase Securities*".

External Management Companies

Other than as disclosed below under "*Employment, Consulting and Management Agreements*", the Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or directors and, other than as disclosed below, the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

Employment, Consulting and Management Agreements

As of the date hereof, other than as described below, the Company does not have any contract, agreement, plan or arrangement that provides for payments to the Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a director or Named Executive Officer's responsibilities.

Pension Plan Benefits

The Company does not anticipate having any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Director Compensation

The Company has not paid any compensation to its directors, for their service as directors, since its incorporation, apart from a grant of options to purchase securities. See "*Options to Purchase Securities*". Any compensation to be paid to the executive officers and directors of the Company after the date of Listing will be determined by the Board.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers or employees of the Company or former directors, executive officers or employees of the Company or its subsidiaries had any indebtedness outstanding to the Company or any of the subsidiaries as at the date hereof and no indebtedness of these individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of the subsidiaries as at the date hereof. Additionally, no individual who is, or at any time during the Company's last financial year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last financial year has been, indebted to the Company or any of its subsidiaries or to another entity where the indebtedness tosuch other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement orunderstanding provided by the Company or any of its subsidiaries, including indebtedness for security purchaseor any other programs.

AUDIT COMMITTEE

The Company has formed an Audit Committee which is comprised of Anthony Heller (Chair), Charles Zwebner and Binyomin Posen, all of whom are "financially literate" as defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Mr. Heller and Mr. Posen are considered "independent" pursuant to NI 52-110.

The Audit Committee provides assistance to the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. Generally, the Audit Committee's primary duties and responsibilities include, without limitation: (i) reviewing and reporting to the Board on the annual audited financial statements (including the auditor's report thereon) and unaudited interim financial statements and any related management's discussion and analysis, if any, and other financial disclosure related thereto that may be required to be reviewed by the Audit Committee pursuant to applicable legal and regulatory requirements; (ii) overseeing the audit function, including engaging in required discussions with the Company's external auditor, reviewing a summary of the annual audit plan, overseeing the independence of the Company's external auditor, overseeing the Company's internal auditor, and pre-approving any non-audit services to the Company; (iii) reviewing with management and the Company's external auditors the integrity of the internal controls over financial reporting and disclosure; (iv) reviewing management reports related to legal or compliance matters that may have a material impact on the Company and the effectiveness of the Company's compliance policies; and (v) maintaining, reviewing and updating the Company's whistleblowing procedures.

The full text of the Audit Committee Charter is attached to this Prospectus as Schedule "C".

Relevant Education and Experience

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

2. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

3. an understanding of internal controls and procedures for financial reporting.

For a summary of the experience and education of the Audit Committee members see "*Directors and ExecutiveOfficers – Director and Executive Officer Biographies*".

Pre-Approval Policies and Procedures

The Mandate of the Audit Committee requires that the Audit Committee pre-approve the completion of any non-audit services by the external auditors and, with the assistance of the auditors, determine which non-audit services the external auditor is prohibited from providing. The Audit Committee may delegate to one or more members of the Audit Committee authority to pre-approve non-audit services in satisfaction of this requirementand if such delegation occurs, the pre-approval of non-audit services by the Audit Committee member to whomauthority has been delegated must be presented to the Audit Committee at its first scheduled meeting followingsuch pre-approval. The Audit Committee shall be entitled to adopt specific policies and procedures for the engagement of non-audit services if: (a) the pre-approval policies and procedures are detailed as to the particular service; (b) the Audit Committee is informed of each non-audit service; and (c) the procedures do not include delegation of the Audit Committee's responsibilities to management.

Reliance on Certain Exemptions

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, pursuant to which the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

External Auditor Service Fees by Category

The fees billed by the Company's external auditors since incorporation on May 19, 2019 to the fiscal year ending November 30, 2021 for audit and non-audit relatedservices provided to the Company or its subsidiaries (if any) were as follows:

Financial Year Ending	**Audit Fees**	**Audit RelatedFees(1)**	**Tax Fees(2)**	**All Other Fees(3)**
November 30, 2021	$30,000	Nil	$3,000	Nil

Notes:

(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit,and not included under Audit Fees.
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) Fees for services other than disclosed in any other column.

STATEMENT ON CORPORATE GOVERNANCE

The Company and the Board recognize the importance of corporate governance to the effective management ofthe Company and to the protection of its employees and Shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Companyare effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through any of its subcommittees at regularly scheduled meetings or at meetings held as required. Frequency of meetingsmay be increased, and the nature of the agenda items may be changed depending upon the state of the Company'saffairs and considering opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their areas of expertise.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company's approach to corporate governance is set forth below.

Mandate of the Board

In accordance with the Mandate of the Board, the Board is responsible for overseeing the exercise of corporate powers and ensuring that the Company's business is managed to meet its corporate goals and objectives and that the long-term interests of the Shareholders are served. The Board is responsible for, among other things:

- adopting a strategic plan for the Company and reviewing the plan in light of management's assessment of emerging trends, industry changes, the competitive environment, the Company's strengths, weaknesses, opportunities and threats, risk issues, and key success factors for the achievement of the Company's goals and objectives;

- overseeing succession planning for management by developing a policy for the appointment, training and performance monitoring of senior management and personnel and developing, training and mentoring selected successors;

- ensuring individual directors and the Board's committees are performing effectively;

- defining the criteria that allproposed candidates for election to the Board will possess and developing corporate goals andobjectives that the Chief Executive Officer is responsible for meeting;

- developing clear position descriptions for the Chair of the Board, the Chair of each committeeand the Chief Executive Officer; and

- ensuring that all new directors receive comprehensive orientation including education regarding the role of the Board and its committees, the expectations of individual directors andthe nature and operation of the Company's business.

In accordance with the Mandate of the Board, all Board members are expected to: (a) develop and maintain an understanding of the Company's operations, strategies and industry within which the Company operates; (b) develop and maintain an understanding of the regulatory, legislative, business, social and politicalenvironment within which the Company operates; (c) develop and maintain familiarity with the officers of the Company; (d) attend Board meetings and, if applicable, committee meetings regularly; (e) read advance materials prior toBoard or committee meetings; (f) participate fully and actively in the discussions of the Board and any committee to which the individual belongs; (g) if absent from a meeting, keep up-to-date on discussions missed; (h) devotethe necessary time and attention to issues of the Company in order to make informed decisions; (i) if requested, participate on Board committees; (j) remain knowledgeable of the Mandate of the Board and the mandate of the committee or committees of which the director is a member; and (k) participate in continuing director education.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of the Company. The Board intends to meet at least quarterly and at each meeting there is a review of the business of the Company.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company's management being in attendance.

Composition of the Board

The Company's Board consists of three directors, two of whom are independent. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with the Company, as defined in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). A "material relationship" isa relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of thedirector's independent judgment. An individual who has been an employee or executive officer of the Companywithin the last three years is considered to have a material relationship with the Company.

Of the directors of the Company, Anthony Heller and Binyomin Posen are independent for thepurposes of NI 58-101. Charles Zwebner, Chief Executive Officer and Corporate Secretary, is not independent for the purposes of NI 58-101 as he is an officer of the Company.

Directors' Relationships with Other Reporting Issuers

Except as noted below, none of the directors of the Company currently serve on the boards of directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions. However, certain of the Company's directors are, or may become, directors, officers or shareholders of other companies with businesses which may conflict with the Company's business.

Name	Name of Reporting Issuer	Exchange or Market
Anthony Heller	Findev Inc.	TSXV
	Firm Capital Mortgage Investment Corporation	TSX
Bennett Kurtz	First Potash Corp.	N/A
Binyomin Posen	i3 Interactive Inc.	CSE
	Titus Energy Corp.	N/A
	Red Light Holland Corp.	CSE
	Nuran Wireless Inc.	CSE
	Waraba Gold Limited	CSE
	RYAH Group Inc.	CSE
	Sniper Resources Ltd.	N/A
	Newfoundland Goldbar Resources Inc.	N/A
	Jiminex Inc.	N/A
	Pacific Iron Ore Corporation	N/A
	Rio Verde Industries Inc.	N/A
	The Hash Corporation	CSE
	1319472 B.C. Ltd.	N/A

Name	Name of Reporting Issuer	Exchange or Market
	1319651 B.C. Ltd.	N/A
	1319732 B.C. Ltd.	N/A
	1319735 B.C. Ltd.	N/A
	1319738 B.C. Ltd.	N/A
	1319741 B.C. Ltd.	N/A
	1319743 B.C. Ltd	N/A
	1344340 B.C. Ltd.	N/A
	1344341 B.C. Ltd.	N/A
	1344342 B.C. Ltd.	N/A
	1344343 B.C. Ltd.	N/A
	1344344 B.C. Ltd.	N/A
	1344345 B.C. Ltd.	N/A
	1344346 B.C. Ltd.	N/A

See also "*Risk Factors –Conflicts of Interest*", "*Directors and Executive Officers – Conflicts of Interest*" and "*Interest of Management and Others in Material Transactions"*.

1. Orientation and Education

The Company has not yet established a formal orientation or education procedure for newly incoming directors. Nonetheless, both incoming directors and existing directors are asked to regularly review and become familiar with: (i) the Mandate of the Board; (ii) the Code of Conduct (defined below); (iii) the Mandate of the Compensation Committee; (iv) the Mandate of the Corporate Governance Committee; and (v) the Corporate Communications & Insider Trading Policy. Additionally, Board members are encouraged to communicate withmanagement and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records.

2. Ethical Business Conduct

The Company has adopted a written Code of Conduct, Whistle-blower and Anti-Retaliation Policy (the "**Code of Conduct**") which emphasizes the importance of matters relating to honest and ethical conduct, conflicts of interest, confidentiality of corporate information, protection and proper use of corporate assets and opportunities, the maintenance of safe and healthy working conditions for all employees and third parties, social media responsibility, compliance with whistle-blower and anti-retaliation principles, compliance with applicable laws, rules and regulations and the reporting of any illegal or unethical behaviour. The Code of Conduct further outlines how the Company expects its personnel to conduct themselves and do business on behalf of the Company so that the Company:

1. maintains a work environment that respects each person's integrity and dignity;

2. fosters a standard of conduct that reflects positively on the Company, its employees and shareholders;

3. complies with all laws and regulations that govern the Company's business activities; and

4. protects the Company from unnecessary exposure to financial, reputational or any other kind of loss, damage or liability.

Compliance with the Code of Conduct is a condition to the employment of personnel of the Company.

3. Other Board Committees

The Board has not established any committees other than the Audit Committee.

4. Director Assessment

The Board responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board as a whole, the individual committees of the Board, and the individual members of the Board and such committees with a view of ensuring that they are fulfilling their respective responsibilities and duties. In connection with such evaluations, each director is required to provide his assessment of the effectiveness of theBoard and each committee as well as the performance of the individual directors, annually. Such evaluations take into account the competencies and skills each director is expected to bring to his particular role on the Board or on a committee, as well as any other relevant factors.

RISK FACTORS

An investment in the Common Shares involves a high degree of risk and should be considered speculative. An investment in the Common Shares should only be undertaken by those persons who can afford the total loss of their investment. In addition to all other information set out in this Prospectus, the following specific factors could materially adversely affect the Company and should be considered when deciding whether to make an investment in the Common Shares. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may become important factors that adversely affect our future financial condition or results of operations. The occurrence of any of the risks discussed below could materially adversely affect our business, prospects, financial condition, results of operations or cash flow.

Limited Operating History

The Company was founded in 2019 and has not fully developed its product offerings nor has it realized any revenue. This limited operating history makes our current business and future prospects difficult to evaluate.

We have encountered and will continue to encounter risks and uncertainties frequently experienced by new and growing companies in rapidly changing industries, such as determining appropriate investments of our limited resources, market adoption of our existing and future offerings, competition from other companies, acquiring and retaining customers, managing customer deployments, hiring, integrating, training and retaining skilled personnel, developing new offerings, determining prices for our services, unforeseen expenses and challenges in forecasting accuracy. If our assumptions regarding these and other similar risks and uncertainties, which we use to plan our business, are incorrect or change as we gain more experience operating our business or due to changes in our industry, or if we do not address these challenges successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

Lack of Profitability and Negative Operating Cash Flow

The Company has incurred losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that future revenues will be sufficient to generate the funds required to continue operations without external funding.

Failure to Develop Successful Product and Service Offerings

The Company's current business plan will be significantly dependant on its ability to develop and commercially deploy the Eagle Watch System. There can be no assurance that it will be successful in doing so or that it can develop additional products or services that are competitive in the evolving UAV market, that the products or services developed by the Company will receive widespread acceptance or that new products or services will yield favourable margins. Failure to develop new products or services at favourable margins could have a material adverse impact on the Company's business, financial condition, results of operations and the amount of cash available for distribution to shareholders.

Speed of Introduction of Products and Services to the Marketplace

The Company's business is dependent on the speed with which it introduces its products and services to the market. The introduction of the Company's products and services to the market is inherently difficult to manage and keep on schedule, and there can be no assurance that the Company will be able to meet its development objectives or to meet market expectations. The Company may experience substantial delays in completing the development of its products and services which could negatively impact the Company's competitiveness in the market.

The markets in which the Company competes are characterized by rapid technological change, which requires the Company to develop new products and product enhancements, and could render the Company's existing products obsolete

Continuing technological changes in the market for the Company's products could make its products less competitive or obsolete, either generally or for particular applications. The Company's future success will depend upon its ability to develop and introduce a variety of new capabilities and enhancements to its existing product and service offerings, as well as introduce a variety of new product offerings, to address the changing needs of the markets in which it offers products. Delays in introducing new products and enhancements, the failure to choose correctly among technical alternatives or the failure to offer innovative products or enhancements at competitive prices may cause existing and potential customers to purchase the Company's competitors' products.

If the Company is unable to devote adequate resources to develop new products or cannot otherwise successfully develop new products or enhancements that meet customer requirements on a timely basis, its products could lose market share, its revenue and profits could decline, and the Company could experience operating losses.

Significant Development Costs May Adversely Impact the Company

The Company's growth depends on penetrating the markets and introducing new products and services, particularly the Eagle Watch System, that achieve market acceptance. The Company plans to incur substantial research and development costs as part of its efforts to design, develop and commercialize its products and services, particularly the Eagle Watch System. Because the Company accounts for research and development as an operating expense, these expenditures will adversely affect its earnings. Further, the Company's research and development initiatives may not produce successful results, and its products and services may not achieve market acceptance, create revenue or become profitable, which could materially harm the Company's business, prospects, financial results and liquidity.

If critical components or raw materials used to manufacture the Company's products become scarce or unavailable, then the Company may incur delays in manufacturing and delivery of its products, which could damage its business

The Company obtains or will in the future obtain hardware components, various subsystems and systems from a limited group of suppliers. The Company does not have long-term agreements with any of these suppliers that obligate it to continue to sell components, subsystems, systems or products to the Company. The Company's reliance on these suppliers involves significant risks and uncertainties, including whether its suppliers will provide an adequate supply of required components, subsystems, or systems of sufficient quality, will increase prices for the components, subsystems or systems and will perform their obligations on a timely basis.

In addition, certain raw materials and components used or to be used in the manufacture of the Company's products are periodically subject to supply shortages, and its business is subject to the risk of price increases and periodic delays in delivery. Similarly, the market for electronic components is subject to cyclical reductions in supply. If the Company is unable to obtain components from third-party suppliers in the quantities and of the quality that it requires, on a timely basis and at acceptable prices, then it may not be able to deliver its products on a timely or cost-effective basis to its customers, which could cause customers to terminate their contracts with the Company, increase the Company's costs and seriously harm its business, results of operations and financial condition. Moreover, if any of the Company's suppliers become financially unstable, then it may have to find new suppliers. It may take several months to locate alternative suppliers, if required, or to redesign the Company's products to accommodate components from different suppliers. The Company may experience significant delays in manufacturing and shipping its products to customers and incur additional development, manufacturing and other costs to establish alternative sources of supply if the Company loses any of these sources or is required to redesign its products. The Company cannot predict if it will be able to obtain replacement components within the time frames that it requires at an affordable cost, if at all.

Failure to Complete Additional Financing

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of the Common Shares.

Market Forces

The market for our offering is immature and volatile, and if it does not develop or if it develops more slowly than we expect, or if product development does not materialize as planned or at all, the growth of our business will be harmed. The use of a UAV BVLOS for security applications does not currently exist, and it is uncertain whether we will be able to obtain the necessary regulatory approvals and if it will achieve and sustain high levels of demand and market adoption. Our success will depend to a substantial extent on our ability to develop our product offering as planned, obtain necessary regulatory approvals and to promote our product and service offering. Even if we are able to bring our product offerings to market as planned and obtain the necessary regulatory approvals, if potential consumers do not perceive the benefits of our offering or our offering does not drive engagement and outcomes, then our market might not develop at all, or it might develop more slowly than we expect, either of which could significantly adversely affect our operating results. In addition, we have limited insight into trends that might develop and affect our business. We might make errors in predicting and reacting to relevant business, legal and regulatory trends, which could harm our business. If any of these events occur, it could materially adversely affect our business, financial condition or results of operations.

Competition

Our competitors, as well as a number of other companies, within and outside the drone industry, may be pursuing new services, programs and technologies for the purpose of security alarm response by autonomous means. Any technological breakthroughs in the industry could reduce the potential market for our offerings, which would significantly reduce our market appeal.

The introduction by competitors of solutions that are or claim to be superior to our offerings may create market confusion, which may make it difficult for potential clients to differentiate the benefits of our platform over competitive products. As a result, our sales may decline significantly or may not increase in line with our forecasts, either of which would adversely affect our business, financial condition and results of operation.

Some of our competitors may have greater name and brand recognition, longer operating histories, significantly greater resources than we do and may be able to offer products similar to ours at a more attractive price than we can. Further, our current or potential customers may be acquired by third parties with greater available resources. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or client requirements and may have the ability to initiate or withstand substantial price competition. In addition, our competitors have established, and may in the future establish, cooperative relationships with vendors of complementary products, technologies or services to increase the availability of their solutions in the marketplace.

New competitors or alliances may emerge that have greater market share, a large client base, more widely adopted proprietary technologies, greater marketing expertise, greater financial resources and larger sales forces than we have, which could put us at a competitive disadvantage. Our competitors could also be better positioned to serve certain segments of our market, which could create additional price pressure. In light of these factors, even if our offering is more effective than those of our competitors, current or potential clients may accept competitive solutions in lieu of purchasing our solution. If we are unable to successfully compete, our business, financial condition, and results of operations could be adversely affected.

Regulatory Risks

The Company faces regulatory risks, many of which are outside of its control. FAA regulations (and equivalent regulations in other jurisdictions) are constantly evolving and could significantly change in the future. Currently, our offerings would require FAA (and other regulatory approvals) which the Company may be unable to obtain. The Company closely monitors these developments and will modify its operations from time to time as the regulatory environment requires. There can be no assurances, however, that the Company will be able to obtain the required regulatory approvals and be able to adapt its operations to address new laws or regulations or that new laws or regulations will not adversely affect its business. Potential changes to laws and regulations, more vigorous enforcement thereof, or unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Failure to comply with such laws and regulations may result in additional costs for corrective measures, penalties or restrictions on the Company's operations. Although we believe that we may be able to obtain the required approvals and/or certifications required in under applicable federal and state laws and regulations, there can be no assurances that once the Company's offerings are developed, that the Company will be able to obtain the regulatory consents required in order to sell its offerings to consumers. The Company cannot assure investors that it will be successful in obtaining the required regulatory consents necessary to legally sell its products.

The Company's products and services are complex and could have unknown defects or errors, which may give rise to claims against the Company, diminish its brand or divert its resources from other purposes

The Company's UAV rely on complex avionics, sensors, user-friendly interfaces and tightly integrated, electromechanical designs to accomplish their missions. Despite testing, the Company's products may in the future contain defects, errors or performance problems when first introduced, when new versions or enhancements are released, or even after these products have been used by the Company's customers for a period of time. These problems could result in expensive and time-consuming design modifications or warranty charges, delays in the introduction of new products or enhancements, significant increases in the Company's service and maintenance costs, exposure to liability for damages, damaged customer relationships and harm to the Company's reputation, any of which could materially harm the Company's results of operations and ability to achieve market acceptance. In addition, increased development and warranty costs could be substantial and could reduce the Company's operating margins.

The existence of any defects, errors, or failures in the Company's products or the misuse of the Company's products could also lead to product liability claims or lawsuits against it. A defect, error or failure in one of the Company's UAV could result in injury, death or property damage and significantly damage the Company's reputation and support for its UAV in general. The Company anticipates this risk will grow as its UAV begins to be used in Canadian and United States domestic airspace and urban areas. The Company's UAV test systems (including in connection its "R&D Waiver" in Canada and the United States) also have the potential to cause injury, death or property damage in the event that they are misused, malfunction or fail to operate properly due to unknown defects or errors.

Although the Company intends to put insurance policies in place, it cannot provide assurance that the Company will be able to actually obtain such insurance or that such insurance once obtained will be adequate to protect the Company from all material judgments and expenses related to potential future claims or that these levels of insurance will be available in the future at economical prices or at all. A successful product liability claim could result in substantial cost to us. Even if the Company is fully insured as it relates to a claim, the claim could nevertheless diminish the Company’s brand and divert management's attention and resources, which could have a negative impact on the Company’s business, financial condition and results of operations.

Undetected Flaws

There can be no assurance that, despite testing by the Company, flaws will not be found in the Company's products and services, resulting in loss of or delay in market acceptance. The Company may be unable, for technological or other reasons, to introduce products and services in a timely manner or at all in response to changing customer requirements. In addition, there can be no assurance that while the Company is attempting to finish the development of its technologies, products and services, a competitor will not introduce similar or superior technologies, products and services, thus diminishing the Company's advantage, rendering its technologies, products and services partially or wholly obsolete, or at least requiring substantial re-engineering in order to become commercially acceptable. Failure by the Company to maintain technology, product and service introduction schedules, avoid cost overruns and undetected errors, or introduce technologies, products and services that are superior to competing technologies, products and services would have a materially adverse effect on the Company's business, prospects, financial condition, and results of operations.

If the Company releases defective products or services, its operating results could suffer

Products and services designed and published by the Company involve extremely complex software programs, and are difficult to develop and distribute. While the Company has quality controls in place to detect defects in its products and services before they are released. Nonetheless, these quality controls are subject to human error, overriding, and reasonable resource constraints. Therefore, these quality controls and preventative measures may not be effective in detecting defects in the Company’s products and services before they have been released into the marketplace. In such an event, the Company could be required to or may find it necessary to voluntarily suspend the availability of the product or service, which could significantly harm its business and operating results.

Risks of Operating UAVs

The operation of UAVs may present certain challenges to the operators of UAVs. UAVs may accidentally collide with other aircrafts, persons or property, which could result in injury, death or property damage and create potential liability for the Company. There can be no assurance that the Company’s design of its products or the manner in which they are used, or the provision of its services, will not result in the Company being held liable should its products and services cause any such injury, death or property

Employee Misconduct

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could cause significant liability for us and harm our reputation. We are exposed to the risk of employee fraud or other misconduct, including intentional failure to comply with laws and regulations. We have a code for our directors, officers and employees, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions.

Data Privacy and Security

Security breaches, loss of data, changes to genetic or phenotypic data ownership and other disruptions could compromise sensitive information related to our business and expose us to liability, which could adversely affect our business and our reputation.

In the ordinary course of our business, the Company will collect, use and store sensitive data, including video and audio recordings, personally identifiable information, intellectual property and proprietary business information. We manage and maintain our applications and data utilizing a combination of on-site systems, managed data center systems, and cloud-based data center systems. These applications and data encompass a wide variety of business-critical information including commercial information, and business and financial information. We face a number of risks relative to protecting this critical information, including loss of access risk, inappropriate disclosure, inappropriate modification, and the risk of our being unable to adequately monitor and modify our controls over our critical information.

The secure processing, storage, maintenance and transmission of this critical information are vital to our operations and business strategy, and we devote significant resources to protecting such information. Although we take measures to protect sensitive information from unauthorized access or disclosure, our information technology and infrastructure may be vulnerable to attacks by hackers, viruses or breaches due to employee error, malfeasance, or other disruptions. Any such breach or interruption could compromise our networks and the information stored there could be accessed by unauthorized parties, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under federal or state laws that protect the privacy of personal information, such as Canada's *Personal Information Protection and Electronic Documents Act* which, along with its provincial counterparts, governs the collection, use and disclosure of personal information in the course of commercial activities by private sector organizations in Canada, In addition, the interpretation and application of consumer and data protection laws in Canada, the U.S. and elsewhere are often uncertain, contradictory and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices. If so, this could result in government-imposed fines or orders requiring that we change our practices, which could adversely affect our business. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices and compliance procedures in a manner adverse to our business.

Security Threats

Cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks could result in any person gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, including personally identifiable information, corrupting data or causing operational disruption. Cyber-attacks could also result in important remediation costs, increased cyber security costs, lost revenues due to a disruption of activities, litigation and reputational harm affecting customer and investor confidence, which could materially adversely affect our business and financial results.

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

Electronic Communications Security Risks

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations. The Company may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

The Company's business could be adversely affected if its consumer protection and data privacy practices are not seen as adequate or there are breaches of its security measures or unintended disclosures of its consumer

data

The rate of privacy law-making is accelerating globally and interpretation and application of consumer protection and data privacy laws in Canada, the United States, Europe and elsewhere are often uncertain, contradictory and in flux. As business practices are being challenged by regulators, private litigants, and consumer protection agencies around the world, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with the Company's data and/or consumer protection practices. If so, this could result in increased litigation government or court imposed fines, judgments or orders requiring that the Company change its practices, which could have an adverse effect on its business and reputation. Complying with these various laws could cause the Company to incur substantial costs or require it to change its business practices in a manner adverse to its business.

Managing Growth

We may not be able to manage our future growth effectively, which could make it difficult to execute our business strategy. Our expected future growth could create a strain on our organizational, administrative and operational infrastructure, including coaching, customer service, technology, marketing and sales, and management. We may not be able to maintain the quality of or expected turnaround times for our services or satisfy customer demand as it grows. Our ability to manage and scale our growth properly will require us to continue to improve our operational, technological, financial and management controls, as well as our reporting systems and procedures. If we are unable to manage our growth effectively, it may be difficult for us to execute our business strategy and our business could be harmed. Future growth in our business could also make it difficult for us to maintain our corporate culture.

Unproven Market

It is anticipated that the market for the Company's potential products and services will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and services and the degree of commercial viability of the potential products and services.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

In addition, as the Company continues to grow, we may be unable to continue to attract or retain the personnel we need to maintain our competitive position. In addition to hiring new employees, we must continue to focus on retaining our best talent. We may need to invest significant resources on new and existing employees and we may never realize returns on these investments. If we are not able to effectively increase and retain our talent, our ability to achieve our strategic objectives will be adversely impacted, and our business will be harmed.

Possible Acquisitions

As part of our business strategy, we may pursue acquisitions of complementary businesses or assets, form joint ventures or make investments in other companies or technologies that could harm our operating results, dilute our stockholders' ownership, or cause us to incur debt or significant expense. We also may pursue strategic alliances to expand our offerings or distribution or make investments in other companies. As an organization, we have limited experience with respect to acquisitions as well as the formation of strategic alliances and joint ventures. If we make any acquisitions in the future, we may not be able to integrate these acquisitions successfully into our existing business, and we could assume unknown or contingent liabilities. Any future acquisitions by us could also result in significant write-offs or the incurrence of debt and contingent liabilities, any of which could harm our operating results. Integration of an acquired company or business may also require management resources that otherwise would be available for ongoing development of our existing business. We may not identify or complete these transactions in a timely manner, on a cost-effective basis, or at all, and we may not realize the anticipated benefits of any acquisition, technology license, strategic alliance, joint venture or investment. To finance any acquisitions or investments, we may choose to raise additional funds. If we raise funds by issuing equity securities, dilution to our stockholders could result. Any equity securities issued may also provide for rights, preferences or privileges senior to those of holders of the Common Shares. If we raise funds by issuing debt securities, these debt securities would have rights, preferences and privileges senior to those of holders of the Common Shares. The terms of debt securities issued or borrowings could impose significant restrictions on our operations. If we raise funds through collaborations and licensing arrangements, we might be required to relinquish significant rights to our technologies or products or grant licenses on terms that are not favourable to us. Once we become a public company, if the price of our common stock is low or volatile, we may not be able to acquire other companies for stock. Alternatively, it may be necessary for us to raise additional funds for these activities through public or private financings. Additional funds may not be available on terms that are favourable to us, or at all.

Reliance on Key Employees and/or contractors

The Company's future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Company may lose know-how, key professionals and staff members as well as partners. These executive officers and key employees could develop drone technologies that could compete with and take customers and market share away from the Company.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests provided that such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that could interfere with their ability to devote time to the Company's business and affairs and that may adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors to the detriment of the Company. In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or corporations with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Litigation

The Company may become party to litigation from time to time which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Common Shares and could expend significant resources. Even if the Company is involved in litigation and is successful, litigation can redirect significant Company resources. Litigation may also create a negative perception of the Company's brand.

Intellectual Property Rights

The Company relies on trade secret, patent, copyright and trademark laws, and confidentiality, licensing and other agreements with executives, consultants and third parties, all of which offer only limited protection. If we are compelled to spend significant time and money protecting or enforcing our intellectual property, our business and financial prospects may be harmed. If we are unable to effectively protect the intellectual property we own, other companies may be able to offer the same or similar services, which could materially adversely affect our competitive business position and business prospects. The Company's patent may be challenged, narrowed, invalidated or circumvented, which could limit our ability to stop competitors from marketing the same or similar services. Even if our patent is unchallenged, it may not adequately protect our intellectual property, provide exclusivity for our services or prevent others from designing around our claims. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business. As a company conducting research and development, the Company anticipates that, in addition to the patent applications currently in progress, it will file for additional patents in respect of the technology being developed in connection with the products under development.

Dividends

Any decision to declare and pay dividends in the future will be made at the discretion of the board of directors and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the board of directors may deem relevant. As a result, investors may not receive any return on an investment in the Common Shares unless they sell their Common Shares for a price greater than that which such investors paid for them.

International Expansion

The Company may in the future expand its operations and business into jurisdictions outside of Canada and the U.S. There can be no assurance that any market for the Company's products will develop in any such foreign jurisdiction. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, lack of brand familiarity and the effects of competition. These factors may limit the Company's capability to successfully expand its operations and may have a material adverse effect on the Company's business, financial condition and results of operations.

Discretion in the Use of Proceeds

Management will have broad discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations may suffer.

Limited Market for Securities

Upon listing on the Exchange, we cannot predict the prices at which the Common Shares will trade and the Offering Price of the Special Warrants may not be indicative of the market price of the Company's Common Shares after listing. There can be no assurance that an active and liquid market for the Common Shares will be maintained and an investor may find it difficult to resell any securities of the Company. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, or that the Company will continue to meet the listing requirements of the Exchange or any other public listing exchange on which the Common Shares may subsequently be listed.

Volatile Market Price for the Common Shares

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

1. actual or anticipated fluctuations in the Company's quarterly results of operations;
2. recommendations by securities research analysts; changes in the economic performance or market valuations of companies in the industry in which the Company operates;
3. addition or departure of the Company's executive officers and other key personnel;
4. release or expiration of transfer restrictions on outstanding Common Shares;

5. sales or perceived sales of additional Common Shares;

6. operating and financial performance that vary from the expectations of management, securities analysts and investors;

7. regulatory changes affecting the Company's industry generally and its business and operations;

8. announcements of developments and other material events by the Company or its competitors;

9. fluctuations to the costs of vital materials and services;

10. changes in global financial markets and global economies and general market conditions;

11. significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;

12. operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and

13. news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, and which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of the Common Shares may be materially adversely affected.

Technical Problems

We may encounter technical obstacles, and it is possible that we discover additional problems or design defects that prevent our platform from operating properly. If our platform is not performed properly and reliably, malfunctions or fails to achieve customer expectations in terms of performance, customers could assert liability claims against us or attempt to cancel their contracts with us. This could damage our reputation and impair our ability to attract or maintain customers.

Any real or perceived errors, failures, bugs or other vulnerabilities discovered in our products could result in negative publicity and damage to our reputation, loss of clients, loss of participants, loss or delay in market acceptance of our platform, loss of competitive position, loss of revenue or liability for damages, overpayments and/or underpayments, any of which could harm our enrollment rates. Similarly, any real or perceived errors, failures, design flaws or defects in our products could have similar negative results. In such an event, we may be required or may choose to expend additional resources in order to help correct the problem. Such efforts could be costly, or ultimately unsuccessful. Even if we are successful at remediating issues, we may experience damage to our reputation and brand.

Economic Conditions

A potential downturn in general economic conditions and the associated market volatility and uncertainty, could have a negative impact on both our customers' and our ability to accurately forecast and plan future business activities. In addition, these conditions could cause our customers or prospective customers to decrease headcount, benefits or human resources budgets, which could decrease corporate spending on our services, resulting in delayed and lengthened sales cycles, a decrease in new customer acquisition and loss of existing customers. Furthermore, during challenging economic times, our customers may have difficulty gaining timely access to sufficient credit or obtaining credit on reasonable terms, which could impair their ability to make timely payments to us and adversely affect our revenue. If that were to occur, our financial results could be harmed. Further, challenging economic conditions might impair the ability of our customers to pay for the services they have already purchased from us and, as a result, our write-offs of accounts receivable could increase. We cannot predict the timing, strength, or duration of any potential economic slowdown or recovery and such a slowdown could cause our business to be harmed.

Accounting Standards

The Company's implementation of and compliance with changes in accounting rules and interpretations could adversely affect its operating results or cause unanticipated fluctuations in its results in future periods. The accounting rules and regulations that the Company must comply with are complex and continually changing. The Company cannot predict the impact of future changes to accounting principles on its financial statements going forward.

Accounting Estimates and Judgments

The Company routinely makes accounting estimates and judgments in the ordinary course of business. Such accounting estimates and judgments will affect the reported amounts of its assets and liabilities at the date of its financial statements and the reported amounts of its operating results during the periods presented. In addition, the Company interprets the accounting rules in existence as of the date of its financial statements when the accounting rules are not specific to a particular event or transaction. If the underlying estimates are ultimately proven to be incorrect, subsequent adjustments could have an adverse effect on the Company's operating results for the period or periods in which the change is identified. Subsequent adjustments could require the Company to restate its historical financial statements. The Company continually reviews accounting rules and regulations and works with its auditors and third-party experts on all significant accounting and valuation matters.

Additional Taxes

The Company may be subject to assessments for additional taxes, including sales taxes, which could reduce the Company's operating results. In accordance with current law, the Company pays, collects and/or remits taxes in those jurisdictions where it maintains a physical presence. In computing our tax obligations in these jurisdictions, the Company is required to take various tax accounting and reporting positions on matters that may not be entirely free from doubt and for which the Company has not received rulings from the governing authorities.

While the Company believes it has appropriately remitted all taxes based on its interpretation of applicable law, it is possible that some taxing jurisdictions may attempt to assess additional taxes and penalties on us if the applicable authorities do not agree with its positions. A successful challenge by a tax authority, through asserting either an error in the Company's calculation, or a change in the application of law or an interpretation of the law that differs from the Company's own, could adversely affect its results of operations.

Sales of Substantial Amounts of the Common Shares

Sales of substantial amounts of the Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair the Company's ability to raise additional capital through the sale of securities should it desire to do so.

Reports on the Business

The trading market for the Common Shares depends, to some extent, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts or the information contained in their reports. If one or more analysts publish research reports that are interpreted negatively by the investment community, or have a negative tone regarding our business, financial condition or operating performance, industry or end-markets, our share price could decline. In addition, if a majority of these analysts cease coverage of the Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

Exchange Rate Fluctuations

Due to the Company's operations in the U.S., the Company may be exposed to the effects of fluctuations in currency exchange rates. The Company generates revenue and incurs expenses for employee compensation and other operating expenses in Canadian dollars. Fluctuations in the exchange rates between the Canadian dollar and the U.S. dollar could result in the dollar equivalent of such revenue and expenses being lower, which could have a negative net impact on the Company's reported operating results.

Brand Awareness

The Company believes that developing and maintaining strategic awareness of its brand in a cost-effective manner is critical to achieving widespread acceptance of its products and services and attracting new clients. The Company's marketing efforts are primarily directed at the development of new clients and increased penetration of existing clients. Brand promotion activities may not generate client awareness or increase revenues, and even if they do, any increase in revenues may not offset the expenses the Company incurs in building its brand. If the Company fails to successfully promote and maintain its brand, or incur substantial expenses, it may fail to attract or retain clients necessary to realize a sufficient return on the Company's brand-building efforts, or to achieve the widespread brand awareness that is critical for broad client adoption of the Company's program.

Corporate Culture

The Company believes that its corporate culture is a critical component of its success. As the Company develops the infrastructure of a public company and continues to grow, the Company may find it difficult to maintain these valuable aspects of its corporate culture. Failure to preserve its corporate culture could negatively impact the Company's future success, including its ability to attract and retain employees, encourage innovation and teamwork and effectively focus on and pursue its corporate objectives.

Internal Controls

The Company is not currently required to comply with National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"). As a public company, the Company will become subject to reporting and other obligations under applicable Canadian securities laws. These reporting and other obligations will place significant demands on the Company's management, administrative, operational and accounting resources. In order to meet such requirements, the Company will, among other things, establish systems, implement financial and management controls, reporting systems and procedures and, if necessary, hire qualified accounting and finance staff. However, if the Company is unable to accomplish any such necessary objectives in a timely and effective manner, the Company's ability to comply with its financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause the Company to fail to satisfy its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in the Company's reported financial information, which could result in a reduction in the trading price of the Common Shares.

The Company does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Forward-Looking Information

The forward-looking statements relating to, among other things, future results, performance, achievements, prospects or opportunities of the Company included in this Prospectus (including, in particular, the information contained in the sections entitled “Prospectus Summary”, “Description of the Company’s Business” and “Management’s Discussion and Analysis”), are based on opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Actual results of the Company in the future may vary significantly from the historical and estimated results and those variations may be material. There is no representation by the Company that actual results achieved by the Company in the future will be the same, in whole or in part, as those included in this Prospectus. See “*Statement Regarding Forward-Looking Statements*”.

Upon Becoming a Reporting Issuer, the Company Will be Subject to Costly Reporting Requirements and Related Expenses

Prior to the filing of this Prospectus, the Company was not subject to the continuous and timely disclosure requirements of Canadian securities laws and the rules, regulations and policies of any stock exchange. As a public company, it will incur increased legal, accounting and other costs not incurred as a private company. The Company will be subject to, among other things, the rules and regulations of the applicable securities regulators. Management expects that compliance with these requirements will increase the Company’s legal and financial compliance costs and will make some activities more time consuming and costly. In addition, there is an expectation that management and other Company personnel will need to divert attention from operational and other business matters to devote substantial time to these public company requirements. The Company has made, and will continue to make, changes to its financial management control systems and other areas to manage its obligations as a public company, including corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. However, there is no assurance that these and other measures taken will be sufficient to allow the Company to satisfy its obligations as a public company on a timely basis.

Damage and Interruptions

The Company’s systems and operations are vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war and similar events. For example, a significant natural disaster, such as an earthquake, fire or flood, could have a material adverse impact on the Company’s business, operating results and financial condition and its insurance coverage may be insufficient to compensate the Company for losses that may occur. Acts of terrorism, which may be targeted at metropolitan areas which have a higher population density than rural areas, could cause disruptions in the Company’s or its clients’ businesses or the economy as a whole. The Company may not have sufficient protection or recovery plans in certain circumstances and its insurance may be insufficient to compensate the Company for losses that may occur.

COVID-19 Pandemic

We face various risks related to health epidemics, pandemics and similar outbreaks, which may have material adverse effects on our business, financial position, results of operations and/or cash flows.

In December 2019, the 2019 novel corona virus (“**COVID-19**”) surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak and then characterized it as a pandemic on March 11, 2020. The outbreak has spread throughout Europe, the Middle East, Canada and the United States, causing companies and various international jurisdictions to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Similarly, we cannot estimate whether or to what extent this outbreak and potential financial impact may extend to countries outside of those currently impacted. At this point, the extent to which the coronavirus may impact our results is uncertain, however, it is possible that our results in 2022 may be negatively impacted by this event. The impacts of the outbreak are unknown and rapidly evolving.

The future impact of the outbreak is highly uncertain and cannot be predicted, and there is no assurance that the outbreak will not have a material adverse impact on the future results of the Company. The extent of the impact, if any, will depend on future developments, including actions taken to contain COVID-19.

We face various risks related to health epidemics, pandemics and similar outbreaks, including COVID-19. In recent weeks, the continued spread of COVID-19 has led to disruption and volatility in the global capital markets, which increases the cost of capital and adversely impacts access to capital. If significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, facility closures or other restrictions in connection with the COVID-19 pandemic, our operations will likely be impacted. We may be unable to perform fully on our contracts and our costs may increase as a result of the COVID-19 outbreak. These cost increases may not be fully recoverable or adequately covered by insurance.

We rely on third-party suppliers and manufacturers in China. This outbreak has resulted in the extended shutdown of certain businesses in China, which may in turn result in disruptions or delays to our supply chain. These may include disruptions from the temporary closure of third-party supplier and manufacturer facilities, interruptions in product supply or restrictions on the export or shipment of our products. Although we currently have sufficient welcome kits inventory to meet our expected demand until approximately the end of the second fiscal quarter, any disruption of our suppliers and their contract manufacturers beyond that timeline will likely impact our sales and operating results. The outbreak of COVID-19 may also impact customer demand, the availability of key components sourced from China, logistics flows and the availability of other resources to support critical operations in the Asia Pacific region.

It is possible that the continued spread of COVID-19 could also further cause disruption in our supply chain; cause delay, or limit the ability of our customers to perform, including in making timely payments to us; impact investment performance; and cause other unpredictable events.

We continue to work with our stakeholders (including customers, employees and suppliers) to address responsibly this global pandemic. We continue to monitor the situation, to assess further possible implications to our business, supply chain and customers, and to take actions in an effort to mitigate adverse consequences.

We cannot at this time predict the impact of the COVID-19 pandemic, but it could have a material adverse effect on our business, financial position, results of operations and/or cash flows.

PROMOTERS

Charles Zwebner is or has been within the two years immediately preceding thedate hereof, a promoter of the Company as he took the initiative in organizing certain aspects of the business of the Company when the Company was initially formed. Mr. Zwebner beneficially owns or has control and direction over an aggregate of 31,689,420 Common Shares representing 9.5% of the issued and outstanding Common Shares as of the date hereof (on a non-diluted basis) and Options to acquire 10,000,000 Common Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the Company's knowledge, there are no legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, andthe Company has not entered into any settlement agreements before any court relating to provincial or territorialsecurities legislation or with any securities regulatory authority, since its incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or Shareholder that beneficially owns, or controls or directs, directly or indirectly,more than 10% of the issued Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus which hasmaterially affected or is reasonably expected to materially affect the Company or any subsidiary of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are Zeifmans LLP, Chartered Professional Accountants, 201 Bridgeland Avenue, North York, Ontario M6A 1Y7.

The registrar and Transfer Agent for the Common Shares is Endeavor Trust Corporation at its principal office at 702 – 777 Hornby Street, Vancouver, British Columbia V6Z 1S4.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts to which the Company or any of its subsidiaries are a party and entered into prior to or since the date of incorporation of the Company and which still remain in effect and material to the Company. Copies of such material contracts will be filed with the Canadian securities regulatory authorities and will be available for review under the Company's profile on SEDAR at www.sedar.com.

- ADM Agreement. See "*Description of the Company's Business – The Company – History – ADM Agreement*".
- Easy Aerial Agreement. See "*Description of the Company's Business – The Company – History – Easy Aerial Agreement*".
- Drone Harmony Agreement. See "*Description of the Company's Business – The Company – History – Drone Harmony Agreement*".
- Escrow Agreement dated [●], 2022, among the directors and officers of the Company and Endeavor Trust Corporation. See "*Escrowed Securities and Securities Subject to Contractual Restriction onTransfer*".

EXPERTS

Zeifmans LLP, Chartered Professional Accountants, the auditor of the annual financial statements of the Company included in this Prospectus, has advised the Company that it is independent of the Company in accordance with the Chartered Professional Accountants of Ontario's Code of Professional Conduct. Certain legal matters in respect of this Prospectus have been passed upon on behalf of the Company by Garfinkle Biderman LLP. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, Zeifmans LLP, Chartered Professional Accountants owns, directly or indirectly, no securities of the Company. Partners and associates of Garfinkle Biderman LLP, in the aggregate, beneficially own less than 1% of the outstanding securities of the Company.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Company that are not otherwisedisclosed in this Prospectus or are necessary for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Company.

SCHEDULE "A"

FINANCIAL STATEMENTS

Audited Financial Statements of RDARS Inc. for the years ended November 30, 2021 and 2020.

RDARS Inc.

Financial Statements

November 30, 2021 and 2020

INDEPENDENT AUDITORS' REPORT

To the Shareholders of RDARS Inc.

Opinion

We have audited the accompanying financial statements of RDARS Inc. (the "Company"), which comprise the statements of financial position as at November 30, 2021 and 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 1 to the financial statements, which indicates that the Company incurred a net loss of $1,309,239 for the year ended November 30, 2021 and, as of that date, had a cumulative deficit of $3,305,455. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audits resulting in this independent auditors' report is Laurence W. Zeifman, CPA, CA.

Toronto, Ontario
XXXXXXXX, 2022

Chartered Professional Accountants
Licensed Public Accountants

RDARS Inc.
Statements of Financial Position
As at November 30, 2021 and 2020
(expressed in Canadian dollars)

	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents		$ 90,892	$ 1,335
Harmonized sales tax recievable		141,949	90,130
Prepaid expenses and deposits		61,239	14,526
Total current assets		294,080	105,991
Non-current assets			
Intangible assets	5	793,416	717,378
Total assets		$ 1,087,496	$ 823,369
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6	$ 1,069,301	$ 990,955
Loans payable	7	279,149	345,000
Accrued interest on convertible debentures	8	83,247	-
Total current liabilities		1,431,697	1,335,955
Non-current liabilities			
Convertible debenture host liability	8	1,236,273	-
Convertible debenture derivative liability	8	859,081	-
Total non-current liabilities		2,095,354	-
Shareholders' deficiency			
Share capital	9	1,249,936	1,249,937
Warrants reserve	10	275,098	233,693
Convertible debentures reserve	9	13,596	-
Deficit		(3,978,185)	(1,996,216)
Total shareholders' deficiency		(2,439,555)	(512,586)
Total liabilities and shareholders' deficiency		$ 1,087,496	$ 823,369

The accompanying notes are an integral part of the financial statements
See Going Concern Note 1

Approved on Behalf of the Board:

Anthony Heller, Director

Binyomin Posen, Director

RDARS Inc.

Statements of Loss and Comprehensive Loss

Years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

	Notes	2021	2020
Revenue		$ -	$ -
Selling and marketing		28,853	47,760
Administration		1,283,661	1,180,107
Foreign currency translation	3	(1,555)	(28,670)
Loss before financial expenses		(1,310,959)	(1,199,197)
Financial expenses			
Interest expense		222,584	5
Loss on derivative liability	9	448,426	-
Net loss and comprehensive loss		$ (1,981,969)	$ (1,199,202)
Weighted average shares outstanding		4,103,760	4,103,760
Net loss per share - Basic	12	$ (0.48)	$ (0.29)
Net loss per share - Diluted	12	$ (0.48)	$ (0.29)

The accompanying notes are an integral part of the financial statements

RDARS Inc.
Statements of Changes in Shareholders' Equity (Deficiency)
Years ended November 30, 2021 and 2020
(Expressed in Canadian dollars)

	Notes	Number of Shares	Share Capital	Convertible Debentues Reserve	Warrant Reserves	Deficit	Total
			$	$	$	$	$
Opening balance at December 1, 2019		4,103,760	1,249,937	-	233,693	(797,014)	686,616
Net loss and comprehensive loss		-	-	-	-	(1,199,202)	(1,199,202)
Balance at November 30, 2020		4,103,760	1,249,937	-	233,693	(1,996,216)	(512,586)
Net loss and comprehensive loss		-	-	-	-	(1,981,969)	(1,981,969)
Issuance of convertible debentures	9	-	-	13,596	-	-	13,596
Issuance of warrants	9	-	-	-	41,404	-	41,404
Modification of warrants	9	-	(1)	-	1	-	-
Balance at November 30, 2021		4,103,760	1,249,936	13,596	275,098	(3,978,185)	(2,439,555)

The accompanying notes are an integral part of the financial statements

RDARS Inc.

Statements of Cash Flow

Years ended November 30, 2021 and 2020

(Expressed in Canadian dollars)

	Notes	2021	2020
Cash flows from operating activities:			
Net loss		$ (1,981,969)	$ (1,199,202)
Change in fair value of derivative liability		448,426	-
Amortization of convertible debenture host liability		140,248	-
Accured interest of convertible debenture host liability		83,247	
Changes in non-cash working capital	13	(20,186)	749,956
Net cash used in operating activities		(1,330,234)	(449,246)
Cash flows from investing activities:			
Loans paid back by directors	7	-	217,467
Prototype development expenses	5	(76,038)	-
Net cash provided by (used in) investing activities		(76,038)	217,467
Cash flows from financing activities:			
Proceeds from issuance of convertible debentures		1,561,680	-
Proceeds from loans payable to director	7	(65,851)	-
Net cash provided by financing activities		1,495,829	-
Net increase (decrease) in cash and cash equivalents		89,557	(231,779)
Cash and cash equivalents, beginning of year		1,335	233,114
Cash and cash equivalents, end of year		90,892	1,335

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

1. Nature of Operations and Going Concern

RDARS Inc. (“RDARS”) (the “Company”) was incorporated under the Ontario Business Corporations Act on May 16, 2019. The Company’s registered address is at 2 Covington Rd, Suite 507, North York, ON M6A 3E2. The name RDARS stands for Real-Time Drone Alarm Response System, which describes the Company’s prototype development of a real time drone technology system for alarm response.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations, or, in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether future financing efforts will be successful or if the Company will attain profitable levels of operations.

RDARS is a start up technology company in the development phase with no revenue. The Company incurred net losses for the years ended November 30, 2021 and 2020 of $1,981,969 and $1,199,202, respectively. The Company also experienced negative cash flows from operating activities of $1,541,274 and $449,246 for the years ended November 30, 2021 and 2020, respectively. In addition, at November 30, 2021, the Company has an accumulated deficit of $3,978,185 and relies on equity offerings for continued operations. These conditions indicate the existence of material uncertainties which cast significant doubt about the Company’s ability to continue as a going concern.

These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of Compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”) as of April 14, 2022, which is the date these financial statements were approved for issue by the Company’s Board of Directors.

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are stated at fair value upon initial recognition. The financial statements are presented in Canadian dollars unless otherwise indicated.

(c) Covid-19 Impact

On March 11, 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, materially impact the Company’s operations during the subsequent months of

2020. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. Additionally, it is possible that estimates in the Company's financial statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

3. Summary of significant accounting policies

(a) Foreign Currency

Foreign Currency Translations

IAS 21, the effects of changes in foreign exchange rates, takes a functional currency approach. The Company determines its functional currency as the currency of the primary economic environment in which the entity operates. Management reviewed the primary and secondary indicators in IAS 21 and determined the functional currency of the Company is its local currency.

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of each subsidiary at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(b) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, bank balances, and short-term deposits with original maturities of three months or less.

(c) Internally Generated Intangible Assets - Research and Development Expenditures

Expenditures on research activities are recognized as an expense in the period incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized 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;

Understanding of how the intangible asset will generate probable future economic benefits;

Availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and,

The ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditures 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 expenditures are recognized in profit or loss in the period incurred.

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.

The Company’s prototype is still considered to be in the development phase and has not begun amortization.

(d) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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 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 for which the estimates of future cash flows have not been adjusted.

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. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(e) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statements of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(f) Financial instruments

The Company recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Under IFRS 9, such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

<u>Financial Assets</u>

The Company classifies its financial assets into two categories, depending on the cash flow characteristics of the assets and the business objective for managing the assets. Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. The Company's accounting policy for each category is as follows:

Amortized cost - Assets are held within a business model with the objective of collecting their contractual cash flow; and the contractual cash flows consist solely of payments of principal and interest. They are recognized initially at fair value plus directly attributable transaction costs, and subsequently measured at amortized cost less cumulative impairment losses. A gain or loss on a debt investment is recognized in profit and loss when the asset is derecognized or impaired.

Fair value through profit and loss (FVTPL) - Assets that do not meet the criteria for amortized cost or Fair value through other comprehensive income (FVOCI) are measured at FVTPL. A gain or loss on a financial asset measured at FVTPL that is not part of a hedging relationship is recognized in profit and loss and presented on a net basis in the period in which it arises. IFRS 9 contains an option to designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an ‘accounting mismatch’ that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial asset at FVTPL is available at initial recognition and is irrevocable.

Financial assets are reclassified when and only when an entity changes its business model for managing financial assets. Any such reclassifications are applied prospectively from the date of the reclassification.

<u>Financial Liabilities</u>

Under IFRS 9, financial liabilities are primarily classified at amortized cost with limited exceptions. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. The Company's accounting policy for each category is as follows:

FVTPL - This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term, and certain financial liabilities that were designated at FVTPL from inception. IFRS 9 contains an option to designate a financial liability as measured at FVTPL if doing so eliminates or significantly reduces an ‘accounting mismatch’ that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial liability at FVTPL is available at initial recognition and is irrevocable.

Amortized cost - Financial liabilities are recognized initially at fair value net of directly attributable transaction costs. They are subsequently recognized at amortized cost using effective interest method with interest expense recognized on an effective yield basis.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

The Company’s classification and measurements of financial assets and liabilities are summarized below:

Financial Instrument	Classification and measurement
Cash and cash equivalents	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Loans payable to shareholders	Amortized Cost
Convertible debenture host liability	Amortized Cost
Convertible debenture derivative liability	FVTPL

Fair value hierarchy - IFRS 7, Financial instruments: Disclosures, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company currently has no level 1 financial instruments.

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The Company classifies the convertible debenture derivative liability as a level 2 financial instrument.

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company currently has no level 3 financial instruments.

During the years ended November 30, 2021 and 2020, there were no transfers of amounts between fair value levels.

(g) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(h) Warrants

The Company follows the relative fair value method with respect to the measurement warrants issued as part of convertible debentures. The proceeds from the issuance are allocated between the host liability and warrants. The warrant component is recorded in equity reserves. Unit proceeds are allocated to liability and warrants using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in equity reserves, is recorded as an increase to share capital. Upon expiration of warrants, the amount applicable to expired warrants is moved to contributed surplus.

(i) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

(j) Related party transactions

Related parties include key management personnel and the entities controlled or directed by key management personnel. Key management personnel include Board of Directors and key executives of the Company together with certain individuals responsible for outsourced services who in the opinion of the Company have satisfied relevant criteria to be considered key management personnel under applicable accounting standards based on the information available as of the date of issuance of these financial statements.

(k) Subsequent events

Events after the reporting period, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue are evaluated by the Company to determine if any adjustment to the financial statements is required. Events that provide evidence of conditions that existed at the end of the reporting period (adjusting events) are reflected in the financial statements. Events that are indicative of conditions that arose after the reporting period (non-adjusting events) are not reflected in the financial statements but are disclosed in Note 15 if they are material.

4. Critical Accounting Estimates and Judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements include going concern (Note 1), intangible assets (Note 6) and the fair value of financial instruments (Note 9).

Valuation of Convertible Debentures Derivative Liability

Company-specific information is considered when determining whether the fair value of a derivative should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly traded companies when valuing equity investments. Use of this valuation approach may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable. Adjustment to the fair value of equity investments will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded equity investments may differ from values that would be realized if a ready market existed.

Estimated useful lives, impairment considerations and amortization of intangible assets

Amortization of intangible assets is dependent upon estimates of useful lives based on management's judgment.

(Expressed in Canadian dollars, unless otherwise noted)

Determination of whether and when costs require capitalization for research and development activities requires significant judgement on the part of management. To do so, management must distinguish costs associated with the internally developed intangible asset and the cost of maintaining or enhancing the Company's goodwill. Management must also determine at what point in time the asset crosses from the research to the development phase to trigger capitalization.

Impairment of definite long-lived assets is influenced by judgment in determining the indicators of impairment and estimates used to measure impairment losses.

Ability to continue as a going concern

In order to assess whether it is appropriate for the Company to continue as a going concern, management is required to apply judgement and make estimates with respect to future cash flow projections.

In arriving at this judgement, there were a number of assumptions and estimates involved in calculating these future cash flow projections. This includes making estimates regarding the timing and amounts of future expenditures and the ability and timing of raising additional financing.

5. Property, plant and equipment and intangible assets

There was no property, plant and equipment activity in 2021 and no balance at November 30, 2021.

Intangible assets as of November 30, 2021 and 2020 were as follows:

		Prototype
Cost:		
Balance at November 30, 2019	$	717,378
Additions		-
Balance at November 30, 2020	$	717,378
Additions		76,038
Balance at November 30, 2021	$	793,416

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as of November 30, 2021 and 2020 were as follows:

		2021		2020
Prototype development	$	716,551	$	823,449
Accounting and administrative services		352,750		132,156
	$	1,069,301	$	955,605

(Expressed in Canadian dollars, unless otherwise noted)

7. Loans payable

Loans payable as of November 30, 2021 and 2020 were as follows:

		2021		2020
Loans payable	$	279,149	$	345,000
	$	279,149	$	345,000

Loans are unsecured, not interest bearing and were issued payable on demand.

8. Convertible Debentures

On March 11, 2021, the Company issued unsecured convertible debentures (the "March Debentures") in the principal amounts of CDN$700,000 and US$400,000, with an interest rate of 10% per annum accruing and payable upon the earlier of December 31, 2022 or a Liquidity Event[1].

The March Debentures are convertible into common shares immediately prior to a Liquidity Event, the principal, and if the Company elects, the accrued but unpaid interest under the March Debentures are to be automatically converted into common shares at a price per common share equal to the lesser of (the “March Debenture Conversion Price”):

(i) in the event of a Liquidity Event, then 80% of the Liquidity Event Price; or

(ii) the price per common share equal to $10,000,000 divided by the number of common shares outstanding.

The fair value of the embedded derivative for the March Debentures was determined using the Black-Scholes valuation model through a “waterfall” using a series of simultaneous options models. Management made the following assumptions on March 22, 2021: expected life of 1.81 year; $nil dividends; 80% volatility; risk-free interest rate of 0.11%.

On November 22, 2021, the Company issued 350 convertible debentures units (the “November Debentures Units") at a price of $1,000 per November Debenture Unit, for gross proceeds of $350,000. Each November Debenture Unit is comprised of (i) $1,000 of principal amount unsecured convertible debentures (“November Debentures”) and (ii) 333 warrants (“November Warrants”) to purchase 333 common shares in the capital of the Company exercisable at a price of $6.00 per common share expiring November 22, 2023. The November Debentures mature on the earlier of (i) November 22, 2022; and (ii) 30 days following the listing of the common shares on a qualified Canadian exchange (the "November Debenture Maturity Date"). The principal amount of the November Debentures accrue simple interest at a rate of 5% per annum, payable in cash upon conversion or the November Debenture Maturity Date. The November Debentures together with any

[1] “Liquidity Event” means the completion of either (i) an initial public offering, reverse takeover, business combination or other similar transaction pursuant to which the Common Shares become listed on a recognized stock exchange in Canada or the United States or (ii) any transaction whereby the Company or its shareholders receive and accept (A) an offer to acquire more than 50% of the commons then outstanding or (B) an offer to acquire all or substantially all of the assets of the Company.

(Expressed in Canadian dollars, unless otherwise noted)

unpaid interest, may be convertible into common shares at the option of the holder, in whole or in part, at a conversion price per common share of $3.00 at any time prior to the November Debenture Maturity Date.

The fair value of the equity components for the November Debentures was determined using the Black-Scholes valuation model through a "waterfall" using a series of simultaneous options models. Management made the following assumptions on November 22, 2021: expected life of 1.08 years; $nil dividends; 80% volatility; risk-free interest rate of 0.24%.

Balances and activity for the year ended November 30, 2021 is as follows:

		Convertible Debenture
Opening balance - December 1, 2020	$	-
Cash received in 2021		1,561,680
Fair value attributed to derivative liability		(410,655)
Fair value attributed to equity		(41,404)
Fair value attributed to warrants		(13,596)
Amortization of discount		140,248
Balance - November 30, 2021	$	1,236,273

		Derivative Liability
Opening balance - December 1, 2020	$	-
Fair value attributed from convertible debenture		410,655
Change in fair value		448,426
Balance - November 30, 2021	$	859,081

9. Share capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value. The holders of the common shares are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

(b) Issued and outstanding

As of November 30, 2021, 4,103,760 Common Shares are issued and outstanding.

(Expressed in Canadian dollars, unless otherwise noted)

10. Warrants

Warrant reserves as of November 30, 2021 and 2020 were as follows:

		Warrant Reserves
Balance at November 30, 2019	$	233,693
Additions		-
Balance at November 30, 2020	$	233,693
Additions		158,250
Balance at November 30, 2021	$	391,943

(a) On November 27, 2021, the Company extended the expiration of 531,120 warrants for one year, until November 27, 2022. Valuation of the expiring and renewed warrants under the Black-Scholes Option Model showed an addition of value. In accordance with IFRS, the Company adjusted the warrants reserve and share capital accordingly. See note 9(a) for the valuation assumptions used.

(b) On November 22, 2021 the Company issued 116,667 common share purchase warrants exercisable into Common Shares at an exercise price of $6 per Common Share until November 22, 2023. Management made the following assumptions on November 22, 2021: expected life of 1.08 years; $nil dividends; 80% volatility; risk-free interest rate of 0.24%; and a stock price of $1.64.

(c) Warrants outstanding at November 30, 2021 were as follows:

	Number	Expiration Date	Exercise Price
2019 share purchase warrants	531,120	November 22, 2023	$ 6.00
2021 warrants	116,667	November 27, 2022	$ 1.00
	647,787		

11. Loss per share

For the year ended November 30, 2021, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $1,981,969 (2020- $1,199,202) and the weighted average number of common shares outstanding of 4,103,760 (2020 – 4,103,760) for basic and diluted loss per share. All warrants and convertible debentures were determined to be antidilutive. As such, diluted earnings per share equals basic earnings per share.

(Expressed in Canadian dollars, unless otherwise noted)

12. Income taxes

(a) The reconciliation between the Company's Canadian combined rate of 12.2% with the reported income taxes for the years ended November 30, 2021 and 2020 is as follows:

		2021		2020
Net loss before income taxes	$	(1,981,969)	$	(1,199,197)
Statutory Canadian tax rates		12.20%		12.20%
	$	(241,800)	$	(146,302)
Increase in deferred tax assets not recongized		241,800		143,913
Other		-		2,389
Net income tax recovery	$	-	$	-

(b) The following table reflects the deferred income tax asset (liability) at November 30, 2021 and 2020:

		2021		2020
Intangible assets	$	(96,797)	$	(87,520)
Non-capital loss carryforwards		510,317		331,059
Convertible debentures		71,819		-
		485,339		243,539
Less: valuation allowance		(485,339)		(243,539)
	$	-	$	-

(c) The company has tax losses in Canada that can be carried forward to reduce taxable income in future years. The losses expire as follows:

Year		Amount
2039	$	1,514,392
2040		1,199,202
2041		1,469,332
	$	4,182,927

13. Additional disclosures for statement of cash flows

Changes in working capital

		2021		2020
Decrease (increase) in harmonized sales tax	$	(51,819)	$	(52,892)
Decrease (increase) in prepaid expenses		(46,714)		1,448
Decrease (increase) in accounts payable and accrued liabilities		78,347		801,400
	$	(20,186)	$	749,956

(Expressed in Canadian dollars, unless otherwise noted)

14. Related party balances and transactions

The Company has entered into transactions with related parties during the year. The Following table presents balances and transactions with related parties included in these financial statements:

		2021		2020
Balances:				
Accounts payable and accrued liabilities, due to company related by common control	$	328,619	$	137,881
Loans payable, due to company related by common control	$	145,489	$	-

The balances above are payable on demand and have arisen from the provision of services.

		2021		2020
Transactions for the year:				
Key management services (i)	$	402,000	$	402,000
Administration services (ii)	$	730,416	$	782,110

(i) A Director, and the largest stakeholder, of the Company holds positions in other companies that provide support services to the Company.

(ii) The related party expenses are included in administration line on the statement of loss and other comprehensive loss.

The transactions above are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

15. Management of Capital

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company and in order to support the development of its planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended November 30, 2021. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars, unless otherwise noted)

The Company considers its capital to be shareholders' equity, which is comprised of capital stock, equity reserves, accumulated other comprehensive and deficit, which as at November 30, 2021 totaled $2,439,555.

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

16. Financial instruments and risk management

The Company has classified its financial instruments as follows:

		2021		2020
FVTPL, measured at fair value:				
Liabilities				
Convertible debenture derivative liability	$	859,081	$	-
Financial assets, measured at amortized cost				
Cash and cash equivalents	$	90,892	$	1,335
Financial liabilities, measured at amortized cost				
Accounts payable and accrued liabilities	$	1,069,301	$	990,955
Loans payable to officers	$	279,149	$	345,000
Accrued interest on convertible debentures	$	83,247	$	-
Convertible debenture host liability	$	1,236,273	$	-

The carrying amount of the Company's financial instruments approximates their fair value.

Risk Exposure and Management

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The principal financial risks to which the Company is exposed are credit risk, interest rate risks, liquidity and funding risk and currency risk.

(Expressed in Canadian dollars, unless otherwise noted)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The company's maximum exposure to credit risk at November 30, 2021 under its financial instruments is approximately $90,892.

All of the Company's cash and cash equivalents are held with a major financial institution in Canada and management believes the exposure to credit risk with respect to such institutions is not significant.

Interest rate risk

Interest rate risk is the risk that the fair value of futures cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments its makes and is satisfied with credit ratings of its banks. Management believes the exposure to interest rate risk is not significant.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due to any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements.

As at November 30, 2021, the Company had cash of $639,762 in order to meet current liabilities.

The following obligations existed as at November 30, 2021 and 2020:

November 30, 2021

	Total	Less than 1 year	1-5 years
Accounts payable and accrued liabilities	$ 1,069,301	$ 1,069,301	$ -
Loans payable to officers	279,149	279,149	-
Convertible debentures	1,644,927	350,384	1,294,543
	$ 2,993,377	$ 1,698,834	$ 1,294,543

November 30, 2020

	Total	Less than 1 year	1-5 years
Accounts payable and accrued liabilities	$ 990,955	$ 990,955	$ -
Loans payable to officers	345,000	345,000	-
	$ 1,335,955	$ 1,335,955	$ -

Currency risk

The Company is not currently subjected to significant foreign currency risk.

17. Subsequent events

On December 30, 2021, the Company filed articles of amendment to subdivide all of its issued and outstanding common shares on the basis of sixty (60) common shares for each one (1) common share currently issued and outstanding (the “Split”). As a result, the 4,103,760 common shares issued and outstanding prior to the Split became 246,225,600 common shares post-Split.

On December 30, 2021, the Company closed a non-brokered private placement of 42,100,000 subscription receipts (the "Subscription Receipts"), at a price of $0.05 per Subscription Receipt, for gross proceeds of $2,105,000. The gross proceeds from the sale of the Subscription Receipts were delivered into escrow on behalf of the purchasers of Subscription Receipts at closing (the “Escrowed Funds”). Each Subscription Receipt is to automatically convert into, without additional payment therefor, one (1) unit (each, a “Unit”) with each Unit consisting of one (1) post-Split common share, and one (1) post-Split common share purchase warrant (“SR Warrant”), on satisfaction of the Release Condition (as defined herein) set forth in the agreement governing the Subscription Receipts (the “Subscription Receipt Agreement”). Upon satisfaction of the Release Condition the Escrowed Funds will be released from escrow to the Company. Each SR Warrant entitles the holder thereof the right to purchase one post-Split common share, subject to certain adjustments, at an exercise price of $0.10 per post-Split common share for a period of 24 months from the date the Release Conditions are satisfied. The “Release Condition means the Company obtaining a receipt from the securities regulatory authorities for a final long form prospectus of the Company qualifying the distribution of the Units, or immediately prior to closing of a reverse take-over transaction with a reporting issuer eligible to list on an any recognized securities exchange in Canada without a prospectus. In the event that the Release Condition does not occur on or prior to means 5:00 p.m. (Toronto time) on June 28, 2022, the Escrowed Funds will be returned to the subscribers, the Subscription Receipts will be cancelled, and no party shall have any further obligations thereunder.

On March 31, 2022, the Company closed a second tranche of the non-brokered private placement of Subscription Receipts, issuing 11,550,000 Subscription Receipt, for gross proceeds of $577,500, and inclusive of the December 30, 2021, gross proceeds of $2,682,500.

SCHEDULE “B”

MD&A

MD&A for the years ended November 30, 2021 and 2020.

RDARS Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended November 30, 2021 and 2020

Dated April 14, 2022

RDARS Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following management's discussion and analysis **("MD&A")** of the financial condition and results of the operations of RDARS Inc. (the "**Company**" or **"RDARS")** constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended November 30, 2021 and November 31, 2020. The MD&A should be read in conjunction with the audited financial statements of the Company for the years ended November 30, 2021 and 2020 and the related notes contained therein. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (**"IFRS**") as issued by the International Accounting Standards Board **("IASB")** and interpretations of the IFRS Interpretations Committee **("IFRIC").** All dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

This MD&A is current as of April 14, 2022.

All dollar figures are expressed in Canadian dollars and in thousands of dollars (000's) unless otherwise stated.

Forward Looking Statements and Forward-Looking Information

The information provided in this MD&A may contain forward-looking statements and forward-looking information about RDARS within the meaning of applicable securities laws. In addition, RDARS may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or written presentations by representatives of RDARS that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements of historical fact, made by RDARS that address activities, events, or developments that RDARS expect or anticipate will or may occur in the future are forward-looking statements and information, including, but not limited to, statements and information preceded by, followed by, or that include words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intends", "plan", "forecast", "budget", "schedule", "project", "estimate", "outlook", or the negative of those words or other similar or comparable words.

Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities.

Actual performance, achievement or other realities could differ materially from those expressed in, or implied by, any forward-looking statements or information in this MD&A and, accordingly, investors should not place undue reliance on any such forward-looking statements or information. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and RDARS does not undertake any obligation to update any forward-looking statements or information to reflect information, events, results, circumstances, realities or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law, including securities laws. All forward-looking statements and information contained in this MD&A and other documents of RDARS are qualified by such cautionary statements. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on RDARS's business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statements.

In addition, forward-looking statements and information herein, including financial information, is based on certain assumptions relating to the business and operations of RDARS. Although RDARS has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and forward-looking information in this MD&A, and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements and information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information contained in this MD&A.

The Company

RDARS Inc. is an early-stage drone technology company in the process of developing an autonomous drone security system with residential, commercial and industrial applications. The name RDARS is an acronym for Residential Drone Alarm Response System, which describes the Company's prototype development of a real time drone technology system for alarm response. The Company offers proprietary drone aircraft and technology solutions that enable real-time alarm response, verification, intervention, reporting, and evidence recording.

The Company's head office and registered office is located at 2 Covington Road, Suite 507, North York, Ontario M6A 3E2. The Company was incorporated in the Province of Ontario on May 16, 2019. The fiscal year end of the Company is November 30.

Pursuant to a non-brokered private placement that closed on December 30, 2021 and March 31, 2022, RDARS issued 53,650,000 Subscription Receipts pursuant to a Subscription Receipt Agreement at a price of $0.05 each to raise aggregate gross proceeds of $2,682,500. The gross proceeds from the sale of the Subscription Receipts were placed into escrow at closing.

The Company intends to file a preliminary prospectus with the securities regulatory authorities in the Provinces of Ontario, British Columbia and Alberta to enable RDARS to become a reporting issuer pursuant to applicable securities legislation in the Provinces of Ontario, British Columbia and Alberta. The prospectus will qualify the distribution of common shares of the Company (the "**Subscription Receipt Shares**") and warrants to purchase common shares (the "**Subscription Receipt Warrants**"), without additional payment, upon the conversion or deemed conversion of the 53,650,000 issued and outstanding Subscription Receipts into 53,650,000 Subscription Receipt Shares and 53,650,000 Subscription Receipt Warrants.

Overall Performance

The key factors pertaining to the Company's overall performance for the years ended November 30, 2021 and 2020 are as follows:

- At November 30, 2021, the Company had current assets of $294 and current liabilities of $1,432 resulting in a working capital deficiency of $1,138 as compared to current assets of $106, current liabilities of $1,336 and a working capital deficiency of $1,230 at November 30, 2020. The reason for this working capital deficiency is the funding of operating losses. The Company had cash and cash equivalents of $91 and $1 at November 31, 2021 and 2020, respectively.

- The Company incurred net losses of $1,982 and $1,199 for the twelve months ended November 30, 2021 and 2020, respectively. The primary reason for the continued losses is the Company's ongoing pre-revenue investment in its drone technology and the administrative costs associated with that investment. The increase in operating losses in fiscal 2021 vs. fiscal 2020 is due to the issuance of convertible debentures in 2021 and the resultant interest and valuation liabilities related to those debentures.

- Expenditures on research activities are recognized as an expense in the period incurred. An internally generated intangible asset arising from development is recognized in accordance with IAS 38 Intangible Assets. Aggregate capitalized expenses (since inception) totaled $793 and $717 at November 30, 2021 and 2020, respectively. The Company has no revenue and no operating cash flow. Accordingly its level of operations has been determined by the availability of capital resources. To date, issuance of common shares and convertible debentures have provided the sole source of funding. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows. Cash used in operating activity for the twelve months ended November 30, 2021 and 2020 was ($1,541) and ($449), respectively.

Selected Annual Information

The following table sets forth summary financial information for the Company for the fiscal years ended November 30, 2021 and November 30, 2020. This information has been summarized from the Company's audited financial statements for the same periods.

(CAD – Thousands)	Year Ended Nov 30, 2021	Year Ended Nov 30, 2020
Total assets	$1,087	$823
Shareholder deficiency	$2,440	$513
Total revenues	0	0
General & administrative expenses	$1,284	$1,180
Net Loss	$1,982	$1,199

Discussion of Operations

The net loss for the year ended November 30, 2021 was $1,982 as compared to the net loss of $1,199 for the year ended November 30, 2020. The primary reason for the net losses was the Company's ongoing pre-revenue investment in its drone technology and the administrative costs associated with that investment. Additionally, the increase in operating losses in fiscal 2021 vs. fiscal 2020 was due to the issuance of convertible debentures in 2021 and the resultant interest and valuation liabilities related to those debentures. Total expenses in both years equaled the net losses as there was no revenue in either year.

Major categories of expenses are as follows:

(CAD – Thousands)	Year Ended Nov 30, 2021	Year Ended Nov 30, 2020	Variance
Management fees	$402	$402	$ 0
Support services	362	387	25
Rent	171	183	12
General office expense	120	128	8
Debenture interest & bank fees	3	3	0
Insurance	43	46	3
Legal, professional and consulting fees	183	30	(153)
Foreign exchange gain	(2)	(28)	(26)
Media & web development	29	48	19
Total expenses	**$1,311**	**$1,199**	**($112)**

The largest unfavorable variances in expense categories when comparing fiscal year 2021 to fiscal 2020 were in legal professional and consulting fees ($153) due to increased regulatory and compliance activity and in foreign exchange ($26) due to a shift in exchange rates between the Canadian and US dollars.

Liquidity and Capital Resources

The Company is in the early stage of its development and therefore has no cash inflow from operations. Its only significant source of funds since incorporation has been from the sale of common shares and the issuance of convertible debentures. From the date of incorporation on May 16, 2019 to November 30, 2021, it raised $1,484 through the issuance of 1,483,760 common shares. The Company issued 2,600,000 shares to its founders. Additionally, RDARS raised $1,645 from the issuance of convertible debentures in fiscal 2021.

On December 30, 2021, the Company split its common shares on the basis of sixty (60) common shares for each one (1) common share currently issued and outstanding (the "Split"). As a result of the split, the Company has a total of 246,225,600 common shares outstanding as of the date of this MD&A.

At November 30, 2021, the Company had current assets of $294 and current liabilities of $1,432 resulting in a working capital deficiency of $1,138 as compared to current assets of $106, current liabilities of $1,336 and a working capital deficiency of $1,230 at November 30, 2020. There are no known trends affecting liquidity or capital resources.

At November 30, 2021, current assets of $294 included cash and cash equivalents of $91, sale tax receivable of $142 and prepaid expenses and deposit of $61. Current liabilities of $1,432 included accounts payable and accrued liabilities of $1,069, loan payable to shareholders of $279 and accrued interest on convertible debentures of ($83).

At November 30, 2020, current assets of $106 included cash and cash equivalents of $1, sale tax receivable of $90 and prepaid expenses and deposits of $15. Current liabilities of $1,336 included accounts payable and accrued liabilities of $991 and loan payable to shareholders of $345.

The shareholder loans are unsecured, non-interest bearing and were issued payable on demand.

While the information in this MD&A has been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon obtaining additional financing. While the Company is using its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

Transactions between Related Parties

At November 30, 2021 there was a loan payable due to the largest shareholder of the Company, of $279 (nil at November 30, 2020). Balances with related parties are non-interest bearing, unsecured and due on demand.

Related party transactions for support services for the twelve months ended November 30, 2021 and 2020 were as follows:

(CAD – Thousands)	Year Ended Nov 30, 2021	Year Ended Nov 30, 2020
Key management consulting services	$402	$402
Administration services	730	782

The largest shareholder of the Company holds positions in other companies that result in them having control or significant influence over these companies. Support services were received from these companies.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Use of Judgments, Estimates and Assumptions

Preparing financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts. Such estimates primarily relate to unsettled transactions and events. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Critical accounting policies are disclosed in the Company's annual audited financial statements for the years ended November 30, 2021 and 2020.

Financial Instruments and Other Instruments

The carrying values of cash and cash equivalents, amounts receivable and trade payables approximate their fair values because of the short-term maturity of these financial instruments. The Company has no

Liquidity risk

The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company had cash and cash equivalents of $91 November 30, 2021 and $1 at November 30, 2020. The Company has been successful in raising equity and debt financing in the past; however, there is no assurance that it will be able to do so in the future. The Company had working capital deficiencies of $1,138 at November 30, 2021 and $1,230 at November 30, 2020.

Management believes that the Company must raise additional capital resources to continue operating and maintain its business strategy during the current fiscal year. If the Company is unable to raise additional capital in the near future, due to the Company's liquidity problems, management expects that the Company may need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

COVID-19 Impact

On March 11, 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, materially impact the Company's operations during the subsequent months of 2020. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. Additionally, it is possible that estimates in the Company's consolidated financial statements will change in the near term as a result of COVID 19. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency risk, interest rate risk and commodity price risk arising from financial instruments.

Disclosure of Outstanding Security Data

As November 30, 2021, the Company has a total of 4,103,760 common shares outstanding.

On December 30, 2021, the Company filed articles of amendment to subdivide all of its issued and outstanding common shares on the basis of sixty (60) common shares for each one (1) common share currently issued and outstanding (the "Split"). As a result, the 4,103,760 common shares issued and outstanding prior to the Split became 246,225,600 common shares post-Split.

On December 30, 2021, the Company closed a non-brokered private placement of 42,100,000 subscription receipts ("Subscription Receipts"), at a price of $0.05 per Subscription Receipt, for gross proceeds of $2,105,000. Each Subscription Receipt will automatically convert into for one (1) unit (each, a "Unit") with each Unit consisting of one (1) post-Split common share and one (1) post-Split common share purchase warrant in the capital of Company ("Warrant"), on satisfaction of the conditions set forth in the agreement governing the Subscription Receipts (the "Subscription Receipt Agreement"). Each Warrant entitles the holder thereof the right to purchase one post-Split common share, subject to certain adjustments, at an exercise price of $0.10 per post-Split common share for a period of 24 months from the date of the Escrow Release Conditions (as defined in the Subscription Receipt Agreement) are satisfied.

On March 31, 2022, the Company closed a second tranche of the non-brokered private placement of Subscription Receipts, issuing 11,550,000 Subscription Receipt, for gross proceeds of $577,500.

As of the date of this MD&A, the Company has: a total of 246,225,600 common shares outstanding.

On March 11, 2021, the Company issued unsecured convertible debentures ("Debentures") in the principal amounts of CAD$775,000 and US$400,000, with an interest rate of 10% per annum accruing and payable upon the earlier December 31, 2022 or a Liquidity Event.

The Debentures are convertible into common shares immediately prior to a Liquidity Event, the principal, and if the Company elects, the accrued but unpaid interest under the Debentures are to be automatically converted into common shares at a price per common share equal to the lesser of (the “Conversion Price”):

I. in the event of a Liquidity Event, then 80% of the Liquidity Event Price; or
II. the price per common share equal to $10,000,000 divided by the number of common shares outstanding.

On November 22, 2021, the Company issued 350 convertible debentures units (“CD Units") at a price of $1,000 per CD Unit, for gross proceeds of $350,000. Each CD Unit is comprised of (i) $1,000 of principal amount unsecured convertible debentures (“2021 Debentures”) and (ii) 20,000 warrants (“CD Warrants”) to purchase 20,000 post-Split (as defined below in Note 12) common shares in the capital of the Company exercisable at a price of $0.10 per post-Split common share expiring November 22, 2023. The 2021 Debentures shall mature on the earlier of (i) November 22, 2022; and (ii) 30 days following the listing of the common shares on a qualified Canadian exchange (the "Maturity Date"). The principal amount of the 2021 Debentures will accrue simple interest at a rate of 5% per annum, payable in cash upon conversion or the Maturity Date. The 2021 Debentures together with any unpaid interest, may be convertible into post-Split common shares at the option of the holder, in whole or in part, at a conversion price per post-Split common share of $0.05 at any time prior to the Maturity Date.

The Company has no other securities issued or outstanding that are convertible into, or exercisable or exchangeable for, voting or equity securities of the Company.

Outlook

For the coming year, the Company’s priorities are to raise the capital necessary to meet its short term operating requirements, continue to develop its drone technology and continue to pursue regulatory approvals to commence operations.

There are significant risks that might affect the Company’s further development. These include but are not limited to: inability to secure the necessary regulatory approvals; negative cash flow from operations; the Company’s ability to raise financing in the future for ongoing operations; currency fluctuations; government regulations; and other conditions that may be out of the Company’s control.

Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the audited financial statements for the fiscal years ended November 30, 2021 and 2020. The Company, in consultation with its Auditor, periodically reviews accounting policy changes implemented within its industry.

SCHEDULE "C"

AUDIT COMMITTEE CHARTER

(1) Purpose

The primary purpose of the Audit Committee (the "**Committee**") of the Board of Directors ("the **Board**") of RDARS Inc. (the "**Company**") shall be to act on behalf of the Board in fulfilling the Board's oversight responsibilities with respect to:

1. the integrity of the Company's financial statements;

2. the Company's compliance with legal and regulatory requirements;

3. the qualifications, independence and performance of the Company's independent auditor;

4. the design, implementation and maintenance of internal controls and disclosure controls;

5. the performance of the Company's internal audit function; and

6. any additional matters delegated to the Committee by the Board.

(2) Committee Membership

The Committee shall consist of as many directors of the Board as the Board may determine (the "**Members**"), but in any event, not less than two Members. Each Member shall meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the Company's securities are listed, including National Instrument 52-110 – *Audit Committees* ("**NI-52-110**") subject to any exceptions permitted under NI 52-110. NI 52-110 requires, among other things, that to be independent, a Member be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgement.

Members shall be appointed by the Board, taking into account any recommendation that may be made by the Governance, Compensation and Nominating Committee of the Board (the "**GC&N Committee**"), if such committee has been formed. Any Member may be removed and replaced at any time by the Board and will automatically cease to be a Member if he or she ceases to meet the qualifications required of Members. The Board will fill vacancies on the Committee by appointment from among qualified directors of the Board, taking into account any recommendation that may be made by the GC&N Committee. If a vacancy exists on the Committee, the remaining Members may exercise all of its powers so long as there is a quorum in accordance with Section 3.4 below.

(2.1) Chair

The Board will designate one of the independent directors of the Board to be the chair of the Committee (the "**Chair**"), taking into account any recommendation that may be made by the GC&N Committee. If, in any year, the Board does not make an appointment of the Chair, the incumbent Chair will continue in office until that Chair's successor is appointed.

(2.2) Qualifications

Subject to permitted phase-in periods contemplated by Section 3.2 of NI 52-110, at least two Members shall be independent and financially literate as described above.

Members must have suitable experience and must be familiar with auditing and financial matters.

(2.3) Attendance of Management and other Persons

The Committee may invite, at its discretion, senior executives of the Company or such persons as it sees fit to attend meetings of the Committee and to take part in the discussion and consideration of the affairs of the Committee. The Committee may also require senior executives or other employees of the Company to produce such information and reports as the Committee may deem appropriate in the proper exercise of its duties. Senior executives and other employees of the Company shall attend a Committee meeting if invited by the Committee. The Committee may meet without senior executives in attendance for a portion of any meeting of the Committee.

(2.4) Delegation

Subject to applicable laws, the Committee may delegate any or all of its functions to any of its Members or any subset thereof, or other persons, from time to time as it sees fit.

(3) Committee Operations

(3.1) Meetings

The Chair, in consultation with other Members, shall determine the schedule and frequency of meetings of the Committee. Meetings of the Committee shall be held at such times and places as the Chair may determine. To the extent possible, advance notice of each meeting will be given to each Member unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings of the Committee either in person or by telephone, video or other electronic means. Powers of the Committee may also be exercised by written resolutions signed by all Members.

At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company or any Member, the Chair shall convene a meeting of the Committee. Any such request shall set out in reasonable detail the business proposed to be conducted at the meeting so requested.

(3.2) Agenda and Reporting

To the extent possible, in advance of every regular meeting of the Committee, the Chair shall prepare and distribute, or cause to be prepared and distributed, to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials.

The Chair shall report to the Board on the Committee's activities since the last Board meeting. However, the Chair may report orally to the Board on any matter in his, her or their view requiring the immediate attention of the Board. Minutes of each meeting of the Committee shall be circulated to the Board following approval of the minutes by the Members. The Committee shall oversee the preparation of, review and approve the applicable disclosure for inclusion in the Company's annual information form.

(3.3) Secretary and Minutes

The secretary of the Company may act as secretary of the Committee unless an alternative secretary is appointed by the Committee. The secretary of the Committee shall keep regular minutes of Committee proceedings and shall circulate such minutes to all Members and to the chair of the Board (and to any other director of the Board that requests that they be sent to him or her) on a timely basis.

(3.4) Quorum and Procedure

A quorum for any meeting of the Committee will be a simple majority of Members. If the number of Members is an even number, one half of the number plus one shall constitute a quorum. The procedure at meetings will be determined by the Committee. The powers of the Committee may be exercised by a simple majority of Members at a meeting where a quorum is present or by resolution in writing signed by all Members. In the absence of the Chair, the Committee may appoint one of its other Members to act as Chair of any meeting.

(3.5) Exercise of Power between Meetings

Between meetings, the Chair, or any Member designated for such purpose by the Committee, may, if required in the circumstance, exercise any power delegated by the Committee on an interim basis. The Chair or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

(4) Duties and Responsibilities

The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board as well as any other functions that may be necessary or appropriate for the performance of its duties.

(4.1) Financial Reporting and Disclosure

Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management's discussion and analysis, financial reports, and other applicable financial disclosure, prior to the public disclosure of such information.

Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such documents or information.

Review with senior executives of the Company, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable.

Seek to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, the Company's disclosure controls and procedures and periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration.

(4.2) Risk Management

Review and discuss the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.

Review and make recommendations to the Board regarding the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of insurance coverage maintained by the Company.

(4.3) Internal Controls and Internal Audit

Review the adequacy and effectiveness of the Company's internal control and management information systems through discussions with senior executives of the Company and the external auditor relating to the maintenance of (i) necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions; (ii) effective internal control over financial reporting; and (iii) adequate processes for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud. From time to time the Committee shall assess any requirements or changes with respect to the establishment or operations of the internal audit function having regard to the size and stage of development of the Company at any particular time.

Satisfy itself, through discussions with senior executives of the Company that the adequacy of internal controls, systems and procedures has been periodically assessed in accordance with regulatory requirements and recommendations.

Periodically review the Company's policies and procedures for reviewing and approving or ratifying related-party transactions.

(4.4) External Audit

Recommend to the Board of external auditors to be nominated for appointment as the external auditor of the Company.

Ensure the external auditors report directly to the Committee on a regular basis. Review the independence of the external auditors.

Review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors.

Review the audit plan of the external auditors prior to the commencement of any audit. Establish and maintain a direct line of communication with the Company's external auditors.

Meet *in camera* with (i) only with auditors, (ii) only senior executives of the Company (without the auditors present), or (iii) only with Members (without the auditors or senior executives of the Company present), where and to the extent that such parties are present, at any meeting of the Committee.

Oversee the work of the external auditors of the Company with respect to preparing and issuing an audit report or performing other audit or review services for the Company, including the resolution of issues between senior executives of the Company and the external auditors.

Review the results of the external audit and the external auditors' report thereon, including discussions with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with senior executives of the Company and any other matters.

Review any written communications between senior executives of the Company and the external auditors and any significant disagreements between the senior executives and the external auditors.

Discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto.

Discuss with the external auditors their perception of the Company's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks.

Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or the Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the proceeding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to address any such issues.

(4.5) Associated Responsibilities

Monitor and periodically review the Whistleblower Policy of the Company and associated procedures for:

1. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;

2. the confidential, anonymous submission by directors, officers and employees of the Company or concerns regarding questionable accounting or auditing matters; and

3. any violations of applicable law, rules or regulations that relates to corporate reporting and disclosure, or violations of the Company's Code of Conduct.

Review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company.

(4.6) Non-Audit Services

Pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

(4.7) Other Duties

Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties. Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law.

(5) The Committee Chair

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for overseeing and reporting on the evaluations to be conducted by the Committee, as well as monitoring developments with respect to accounting and auditing matters in general and reporting to the Committee on any related significant developments.

(6) Committee Evaluation

The performance of the Committee shall be evaluated by the Board as part of its regular evaluation of the Board's committees.

(7) Access to Information and Authority to Retain Independent Advisors

The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors of the Company, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Company's expense, independent legal, financial, and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve their fees. The Committee shall select such advisors, consultants and experts after taking into consideration factors relevant to their independence from management and other relevant considerations.

The Committee shall discharge its responsibilities and shall assess the information provided by the Company's management and the external advisors, in accordance with its business judgement. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors of the Board are subject under applicable law.

The Committee also has the authority to communicate directly with internal and external auditors. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of the senior executives of the Company responsible for such matters and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are directors of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his, her or their duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject and this Charter should be interpreted in a manner consistent with the constating documents of the Company and all applicable laws and rules.

The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers, to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

(8) Review of Charter

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

The Committee will ensure that this Charter is disclosed on the Company's website and that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.

Last presented for review and approval to, and so approved by, the Board on April 11, 2022.

CERTIFICATE OF THE COMPANY

Dated: April 14, 2022.

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities qualified by this Prospectus as required by the securities legislation of the Provinces of Ontario and British Columbia.

"Charles Zwebner" Charles Zwebner Chief Executive Officer	*"Bennett Kurtz"* Bennett Kurtz Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Anthony Heller" Anthony Heller Director	*"Binyomin Posen"* Binyomin Posen Director

CERTIFICATE OF THE PROMOTER

Dated: April 14, 2022.

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities qualified for distribution by this Prospectus as required by the securities legislation of the Provinces of Ontario and British Columbia.

By: *"Charles Zwebner"*
Charles Zwebner