

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the Fiscal Year Ended April 30, 2021

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 000-54851

DEFENSE TECHNOLOGIES INTERNATIONAL CORP.

(Exact name of registrant as specified in its charter)

Delaware **99-0363802**
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

2683 Via De La Valle, Suite G418, Del Mar CA 92014
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(800) 520-9485**

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, \$0.0001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes [] No [X]

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No []

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes [X] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer [] Accelerated filer []
Non-accelerated filer [X] Smaller reporting company [X]
Emerging Growth Company [X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No [X]

The number of shares outstanding of the Company's \$0.0001 Par Value Common Stock as of August 13, 2021 was 107,336,489. The aggregate number of shares of the voting stock held by non-affiliates on October 31, 2020 was 46,020,758 with a market value of \$736,332. For the purposes of the foregoing calculation only, all directors and executive officers of the registrant have been deemed affiliates.

DOCUMENTS INCORPORATED BY REFERENCE

A description of "Documents Incorporated by Reference" is contained in Part IV, Item 15.

DEFENSE TECHNOLOGIES INTERNATIONAL CORP.
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As used in this report, unless otherwise indicated, “we”, “us”, “our”, “DTII” and the “Company” refer to Defense Technologies International Corp.

PART I

Item 1. Business

Defense Technologies International Corp. (the "Company") was incorporated in the State of Delaware on May 27, 1998. Effective June 15, 2016, the Company changed its name from Canyon Gold Corp. to Defense Technologies International Corp. to represent the Company's expansion goals more fully into the advanced technology sector.

Our principal executive office is located at 2683 Via De La Ville Suite G418, Del Mar CA 92014 147, telephone (1-800) 520-9485. Additional office space is subleased from EMAC at 641 West 3rd Street, North Vancouver BC, Canada.

Our website address is <http://www.defensetechnologiesintl.com>.

Development of Scanner Technology Business

Defense Technologies International Corp.'s (the "Company") subsidiary PSSI acquired the world-wide exclusive rights to the Passive Security Scan™ a 'next generation, walk-through personnel scanning system. This patented product (US Patent: 7408461) is an advanced passive scanning technology for detection and identifying concealed threats to be used for the security of schools and other public venues. PSSI has the exclusive World-Wide license to manufacture and sell the *Passive Scanning Technology*™.

We added a Camera for the detection of Elevated Body Temperatures (EBT), our first products are: *Passive Portal*™, *Passive Portal*™ EBT, *Passive EBT Station*

On October 19, 2016, the Company entered into a Definitive Agreement with Controlled Capture Systems, LLC ("CCS"), representing the inventor of the technology and assets that included a new exclusive Patent License Agreement and Independent Contractor agreement. Under the license agreement with CCS, the Company acquired the world-wide exclusive rights and privileges to the CCS security technology, patents, products and improvements. The term of the License Agreement shall be from October 19, 2016 until the expiration of the last to expire of the licensed issued patents or patents to be issued.

The Company agreed to pay CCS an initial licensing fee of \$25,000 and to pay ongoing royalties at the end of each six-month period at the rate of the greater of 5% of gross sales used or sold, or the minimum royalty payment of \$25,000. The Company also agreed to compensate investors that have provided funding for the development of CCS's technology with 2,667 shares of the Company's common stock. Additionally, CCS will be entitled to receive 167 shares of the Company's common stock upon completed sales of 1,000 passive scanner units based on the CCS technology. On December 14, 2017, the Company issued 20,000 shares of Series B preferred stock to Controlled Capture Systems, LLC to extend the exclusive rights to the Passive Security Scan to March 15, 2018.

On May 30, 2018, the Company and Control Capture Systems, LLC amended their license agreement as follows:

1. Royalty payments of 5% of gross sale from the license agreement will be calculated and paid quarterly with a minimum of \$12,500 paid each quarter.
2. All payment will be in US dollars or stock of the Company and or its subsidiary. The value of the stock will be a discount to market of 25% of the average trading price for the 10 days prior to conversion. The number of shares received by Control Capture prior to any reverse split are anti-dilutive.
3. Invoices for parts and materials will be billed separate of the license fees noted above.

The Company capitalized the costs to acquire the License Agreement, including the \$25,000 initial licensing fee and the estimated value of \$353,600 of the 2,667 shares of the Company's common stock issued on November 10, 2016 to the CCS investors, which value was based on the closing market price of the Company's common stock on the date of the Definitive Agreement. The Company recorded a current liability of \$36,000 for the remaining obligation in its consolidated balance sheet as of April 30, 2019. Once sales of products based on the CCS technology begin, the Company will amortize the capitalized costs over the estimated life of the license agreement as determined by the legal life of patents issued. To date no sales of the product have been completed. The Company reviewed the valuation of the license agreement and determined to impair the asset of \$378,600.

Effective January 12, 2017, Passive Security Scan, Inc. ("PSSI") was incorporated in the state of Utah as a wholly owned subsidiary. The Company merged its wholly-owned subsidiary, Long Canyon Gold Resources Corp. ("Long Canyon"), into PSSI, with PSSI the surviving entity. The Company transferred to PSSI its exclusive world-wide license to the defense, detection and protection security products previously acquired by the Company. The Company currently owns 76.28% of PSSI with 23.72% acquired by several individuals and entities. With the merger of Long Canyon into PSSI, the Company discontinued its mineral exploration business. The Company concluded the initial development of the technology and will proceed to put the system through the required Beta Test at a high-school near Austin Tx. All sales and marketing activities will be executed through PSSI.

The security products licensed from CCS as developed by the Company are designed for personal and collateral protection. The proposed detection technology is intended to provide passive security scanning units for either walk-through or hand-held use to improve security for schools and other public facilities. The units use electromagnets and do not emit anything (such as x-rays) through the subject. The Company, in consultation with CCS, recently completed a prototype with optional "Digital Imaging" which will give the user of the scanner the ability to recall the entire traffic passing through the scanner at any time thereafter. The prototype scanner unit has successfully passed elaborate lab testing and is ready for deployment and demonstration.

Competition

We believe we have the only known passive scanner technology based on earth magnetic technology that does not cause any harm to the subject passing through the scanner. Our scanners are therefore uniquely suited for school systems and other public venues. Our competitors' technology is based on X-Ray, microwave or radio signals, all of which are harmful over time. We believe this provides an advantage to our scanners over those developed by our competition.

Sales and Marketing

Through our Marketing Director, Mr. Web Barth of Privateer Marketing Force and Mrs. Brook Greenwald of Cornerstone Communications, we have made contact with schools, synagogues as well as other venue holders that have expressed interest in having the Passive Security Scan Unit presented at the school for demonstration and evaluation. Furthermore, as funding permits, we plan to install a demonstration unit in every state free of charge via the state's Governor's Office. We expect major exposure through this program.

On November 04, 2020 we engaged the services of Jonathan Silver of Cumulus Media Inc of Atlanta GA to assist DTII in Investors Relations and Marketing of its Passive Portal and EBT Station.

We have signed three Distributorship Agreements. A distributor will get a 20% discount on Gross Sales, but is required to purchase a minimum of 25 units at time of signing for a distributorship. General referrals will earn a 10% discount.

With the completion of requisite funding, we expect to place the first units during the fall of 2021 and commence a major marketing campaign at the same time. We believe that we will start production and sales within the coming three to six months.

With the start of initial sales, we believe that we will be able to raise major funding through more conventional sources for our production.

Production

We acquired the necessary machinery and equipment to manufacture and assemble up to 500 Passive Portals per month at our Rexburg production facility.

To date we have manufactured and assembled fourteen Passive Portal Units and ten EBT Stations the first thirteen units which will mainly be used for demonstrations and donations to valuable future customers.

In addition we have all parts for an additional twenty five Passive Portals at our plant in Rexburg ID.

Trademarks and Copyrights

We acquired the world-wide exclusive rights and privileges to the CCS security technology, patents, products and improvements. The term of the License Agreement shall be from October 19, 2016 until the expiration of the last to expire of the licensed issued patents or patents to be issued. CCS currently owns 3 patents and 2 patents pending related to the technology.

Employees

We presently have five full and part-time Consultants and do not anticipate adding additional employees until our business operations and financial resources so warrant. The Independent Contractor Agreement between the Company and CCS provides that CCS will provide support for the development of the security technology and products. The management of our Company is provided through a series of service agreements with our officers and directors and key consultants.

Facilities

We presently rent office facilities at 2683 Via De La Ville Suite G418, Del Mar CA 92014 that serve as our principal executive offices. Additional office space is subleased from EMAC at 641 West 3rd Street, North Vancouver BC, Canada.

Employee Stock Plan

We have not adopted any kind of stock or stock option plan for employees at this time.

Industry Segments

No information is presented regarding industry segments. We are presently an emerging company seeking business opportunities in one segment, the defense, detection and protection products industry.

Item 1A. Risk Factors.

The occurrence of an uncontrollable event such as the COVID-19 pandemic may negatively affect our operations. A pandemic typically results in social distancing, travel bans, and quarantine. This may limit access to our suppliers, management, support staff and professional advisors. As the Company's operations, are primarily virtual and depends on numerous third party consultants, we cannot measure the impact on our operations or financial condition at this point in time.

Item 1B. Unresolved Staff Comments.

This item is not required for a smaller reporting company.

Item 2. Properties.

We do not presently own any property.

Item 3. Legal Proceedings.

There are no material pending legal proceedings to which the Company or its subsidiary is a party, or to which any property is subject and, to the best of our knowledge, no such action against us is contemplated or threatened.

Item 4. Mine Safety Disclosures.

This item is not applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

Our common shares are quoted on the OTCQB under the symbol "DTII". Set forth in the table below are the quarterly high and low prices of our common stock as obtained from the OTCQB for the past two fiscal years ended April 30, 2021.

	<u>High</u>	<u>Low</u>
<i>Fiscal year ended April 30, 2021</i>		
First Quarter	\$ 0.08	\$ 0.011
Second Quarter	\$ 0.55	\$ 0.012
Third Quarter	\$ 0.058	\$ 0.009
Fourth Quarter	\$ 0.078	\$ 0.014
<i>Fiscal year ended April 30, 2020</i>		
First Quarter	\$ 0.46	\$ 0.06
Second Quarter	\$ 0.42	\$ 0.11
Third Quarter	\$ 0.46	\$ 0.08
Fourth Quarter	\$ 0.34	\$ 0.06

As of August 12, 2021, there were approximately 136 stockholders of record of our common stock, which does not take into account those shareholders whose certificates are held in the name of broker-dealers or other nominee accounts.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

We did not purchase any of our shares of common stock or other securities during our fiscal year ended April 30, 2021. We redeemed 30,000 shares of series C preferred shares for 2,918,750 shares of common stock through the date of this filing.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

During the year ended April 30, 2020 the Company issued 3,258,322 shares of common stock with a value of \$232,419 for debt.

During the year ended April 30, 2020 the Company issued 386,091 shares of common stock with a value of \$90,245 for accounts payable.

During the year ended April 30, 2020, the Company issued 798,200 shares of its common stock for service with a value of \$166,717.

During the year ended April 30, 2020, the Company cancelled 408,333 shares of its common stock for service with a value of \$96,517. The shares were cancelled as they had been authorized by the Company but never issued by the transfer agent thus the Company elected to cancel the shares. The cancellation resulted in a gain on cancellation of shares of \$96,517.

During the year ended April 30, 2021 the Company issued 81,186,331 shares of common stock with a value of \$702,327 for debt.

Dividends Policy

Prior to the year ended April 30, 2021 we have not declared dividends on our preferred or common stock. During t2021 we have declared a 7% interest in our outstanding series C convertible preferred shares with a total amount of \$5,507 accrued

Warrants and Options

During the year ended April 30, 2019 the Company issued 600,000 warrants with a conversion price of \$0.70 to \$2.50 to four individuals and 250,000 options with a conversion price of \$1.00 to one individual. The warrants have a three year term and are convertible into the common shares of the Company.

Of the warrants issued, the Company issued 400,000 warrants to Ionic Ventures as part of the convertible notes. The warrants contained an antidilution and reset provision to adjust to futures shares issued at a conversion price lower than the initial conversion price of \$0.70. Along with the reset provision the length of maturity of the warrants was extended. Based on the reset provisions the number of warrants increased to 33,333,333 with a reset conversion price of \$0.0084 resulting in a down round amount of \$903,270 during the year ended April 30, 2020.

A summary of the Company's stock options and warrants as of April 30, 2021, and changes during the two years then ended is as follows:

	Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contract Term (Years)	Aggregate Intrinsic Value
Outstanding and exercisable at April 30, 2019	850,000	1.14	2.75	\$816,000
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited or expired	—	—	—	—
Outstanding and exercisable at April 30, 2020	850,000	1.14	1.75	\$ 882,300
Granted	32,933,333	0.0084	2.50	—
Exercised	—	—	—	—
Forfeited or expired	—	—	—	—
Outstanding and exercisable at April 30, 2021	33,783,333	0.037	2.48	\$ 239,861

The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value, based on our closing stock price of \$0.0155 as of April 30, 2021, which would have been received by the holders of in-the-money options had the option holders exercised their options as of that date.

Item 6. Selected Financial Data.

This item is not required for a smaller reporting company.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this Form 10-K.

The consolidated financial statements included in this annual report include the financial statements of the Company and those of Passive Security Scan, Inc. ("PSSI"), a consolidated subsidiary

Effective January 12, 2017, PSSI was incorporated in the state of Utah as a wholly owned subsidiary. The Company merged its wholly owned subsidiary, Long Canyon Gold Resources Corp. ("Long Canyon"), into PSSI, with PSSI the surviving entity. The Company transferred to PSSI its exclusive world-wide license to the defense, detection and protection security products previously acquired by the Company. The Company currently owns 76.28% of PSSI with 23.72% acquired by four other individuals and entities. With the merger of Long Canyon into PSSI, the Company discontinued its mineral exploration business. The Company plans to continue the development of the technology and conduct all sales and marketing activities in PSSI.

Forward Looking and Cautionary Statements

This report contains forward-looking statements relating to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will" "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," or similar terms, variations of such terms or the negative of such terms. These statements are only predictions and involve known and unknown risks, uncertainties and other factors. Although forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment, actual results could differ materially from those anticipated in such statements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Going Concern

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States applicable to a going concern. Through April 30, 2021, the Company had minimal revenue of \$15,230, accumulated deficit of \$13,229,003 since inception on June 19, 2008 and a working capital deficit of \$4,018,378 and expects to incur further losses in the development of its business, all of which cast substantial doubt about the Company's ability to continue as a going concern. Management plans to continue to provide for the capital needs during the year ending April 30, 2021 by issuing debt and equity securities and by the continued support of its related parties. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. There is no assurance that funding will be available to continue the Company's business operations.

Results of Operations

We currently have a limited source of operating revenues. Accordingly \$15,230 was recorded in the year ended April 30, 2021 and none in 2020.

Our total operating expenses decreased to \$714,469 in the year ended April 30, 2021 from \$903,440 in the year ended April 30, 2020. The decreases are due primarily to a decrease in stock based compensation, and lower investor relations expenses offset by higher general expenses.

Our interest expense increased to \$674,834 in the year ended April 30, 2021 from \$146,299 in the year ended April 30, 2020. The increase in interest expense is due primarily to higher interest-bearing debt issued to institutional investors, related extension and early payment penalties, and to the amortization of debt discount to interest expense in the current year. A portion of our interest expense is incurred to related parties.

We recognized a decrease on derivative liability of \$192,924 compared to a decrease of \$1,983,286 in the years ended April 30, 2021 and 2020, respectively. We estimate the fair value of the derivative for the conversion feature of our convertible notes payable using the American Option Binomial pricing model at the inception of the debt, at the date of conversions to equity, cash payments and at each reporting date, recording a derivative liability, debt discount and a gain or loss on change in derivative liability as applicable. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility, and variable conversion prices based on market prices as defined in the respective loan agreements. These inputs are subject to significant changes from period to period; therefore, the estimated fair value of the derivative liability and associated gain or loss on derivative liability will fluctuate from period to period and the fluctuation may be material.

We recognized a gain on extinguishment of debt of \$54,831 and a gain of \$204,906 in the years ended April 30, 2021 and 2020, respectively. The gain on extinguishment of debt resulted primarily from the elimination of derivative liabilities upon debt extinguishment. This gain will fluctuate from period to period depending on the number of debt conversions and the associated balance of derivative liabilities, and the fluctuation may be material. In addition we had a loss on notes payable of \$ 466,200 in 2021 and \$2,178,519 in 2020 and finance and interest cost on notes of \$209,237 in 2021 and \$341,098 in 2020.

As a result, we recognized a net loss of \$1,845,644 and net loss of \$1,273,308 on the years ended April 30, 2021 and 2020, respectively.

Because we own 76.28% of PSSI as of April 30, 2021 we include 76.28% of the net loss of PSSI for the year ended April 30, 2021 in our consolidated net loss and have reported non-controlling interest of 23.72% of the net loss of PSSI, or \$31,653, for the year ended April 30, 2020 and \$43,155 for the same period in 2021.

Liquidity and Capital Resources

At April 30, 2021, we had total current assets of \$133,590, consisting of cash of \$44,209 and inventory of \$69,381 and prepaid expenses of \$20,000. Current liabilities at April 30, 2021 were \$4,151,967 resulting in a working capital deficit of \$4,018,378. Included in our current liabilities and working capital deficit are derivative liabilities totaling \$910,511 related to the conversion features of certain of our convertible notes payable. We do not believe the derivative liabilities will require settlement in cash.

A significant portion of our current liabilities as of April 30, 2021 is comprised of amounts due to related parties of \$1,249,818. We anticipate that in the short-term, operating funds will continue to be provided by related parties and other lenders.

At April 30, 2021, we had total convertible notes payable of \$805,890, net of discount. Several of the note agreements require repayment through conversion of principal and interest into shares of the Company's common stock. We anticipate, therefore, converting these notes payable into shares of our common stock without the need for replacement financing; however, there can be no assurance that we will be successful in accomplishing this.

Pursuant to convertible notes payable, we received total cash proceeds of \$272,500, less payment of convertible notes of \$135,500 and the sale of preferred shares of \$200,000 for a net cash received of \$337,000 during the year ended April 30, 2021. These convertible short-term notes, which have a total principal balance of \$805,890, net of discount at April 30, 2021, bear interest at annual rates ranging from 6% to 15% per annum and are convertible into common shares of the Company upon the terms and subject to the limitations and conditions set forth in the note agreements. The notes generally contain early repayment penalties if repaid before defined payment dates in the note agreements.

During the year ended April 30, 2021 we extinguished \$720,327 in principal through conversion of convertible notes payable to common stock.

During the year ended April 30, 2021 we repaid \$135,000 in convertible notes payable from the proceeds of new notes.

During the year ended April 30, 2021, net cash used in operating activities was \$363,207, as a result of our net loss of \$1,845,644 offset by amortization of debt discount and financing costs of \$346,701, change in fair value of \$192,924, increase in related party payables to \$279,271, and accounts payable of \$303,845.

During the year ended April 30, 2020 net cash used in operating activities was \$328,733, as a result of our net loss of \$1,273,308, stock based compensation of \$166,717, amortization of debt discount and financing costs of \$341,099 and derivative liability change of \$1,983,286. Accounts payable increased \$301,752 and payables to related party increased \$220,668, with a loss on notes of \$2,178,519 and loss on debt extinguishment of \$204,906.

During the year ended April 30, 2021, net cash provided by financing activities was \$337,000. This was comprised of net proceeds from convertible notes payable of \$272,500, partially offset by repayment of convertible notes payable of \$135,500 along with preferred stock sold for cash of \$200,000.

During the year ended April 30, 2020, net cash provided by financing activities was \$434,000 comprised of net proceeds from convertible notes payable of \$597,000, repayment of convertible notes of \$158,000 and a repayment of note payable of \$5,000.

We have not realized any significant revenues since inception and paid expenses and costs with proceeds from the issuance of securities as well as by loans from investor, stockholders and other related parties.

Our immediate goal is to provide funding for the completion of the initial production of the Offender Alert Passive Scan licensed from CCS. The Offender Alert Passive Scan is an advanced passive scanning system for detecting and identifying concealed threats.

We believe a related party and other lenders will provide sufficient funds to carry on general operations in the near term and fund PSSI's production and sales. We expect to raise additional funds from the sale of securities, stockholder loans and convertible debt. However, we may not be successful in our efforts to obtain financing to carry out our business plan.

As of April 30, 2021, we did not have sufficient cash to fund our operations for the next twelve months.

Inflation

In the opinion of management, inflation has not and will not have a material effect on our operations until such time as we begin to realize revenues from operations. At that time, management will evaluate the possible effects of inflation related to our business and operations following a successful acquisition or merger.

Net Operating Loss Carryforward

We have accumulated a net operating loss carryforward of approximately \$4,826,054 as of April 30, 2021. This loss carry forward may be offset against future taxable income. The use of these losses to reduce future income taxes will depend on the generation of sufficient taxable income prior to the expiration of the net operating loss carryforward. In the event of certain changes in control, there will be an annual limitation on the amount of net operating loss carryforward that can be used. No tax benefit has been reported in the financial statements for the years ended April 30, 2021 and 2020 because it has been fully offset by a valuation reserve. The use of future tax benefit is undeterminable because we presently have no operations.

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to intangible assets, derivative liabilities, income taxes, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For further information on our significant accounting policies see Note 3 to our consolidated financial statements included in this Annual Report. There were no changes to our significant accounting policies during the year ended April 30, 2021. The following is a description of those significant accounting policies that involve estimates and judgment by management.

Derivative Liabilities

We have identified the conversion features of certain of our convertible notes payable as derivatives. We estimate the fair value of the derivatives using American Option Binomial pricing model. We estimate the fair value of the derivative liabilities at the inception of the financial instruments, at the date of conversions to equity and at each reporting date, recording a derivative liability, debt discount, and a gain or loss on change in derivative liabilities as applicable. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and variable conversion prices based on market prices as defined in the respective agreements. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

Basic and Diluted Loss per Common Share

The Company computes net loss per share in accordance with ASC 260, Earnings per Share, which requires presentation of both basic and diluted loss per share ("EPS") on the face of the statement of operations. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options and warrants, using the treasury stock method, convertible preferred stock, and convertible debt, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all potentially dilutive common shares if their effect is antidilutive.

Financial Instruments

Pursuant to ASC 820, Fair Value Measurements and Disclosures and ASC 825, Financial Instruments, an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using a hierarchy based on the level of independent, objective evidence when measuring fair value using a hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization with the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy prioritized the inputs into three levels that may be used to measure fair value:

Level 1: applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2: applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in markets that are not active.

Level 3: applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

As of April 30, 2021 and 2020, the Company believes the amounts reported for cash, payables, accrued liabilities and amounts due to related parties approximate their fair values due to the nature or duration of these instruments.

Liabilities measured at fair value on a recurring basis were estimated as follows at April 30, 2021 and 2020:

	Total	Level 1	Level 2	Level 3
2020				
Derivative liabilities (Restated)	\$ 1,657,217	\$ —	\$ —	1,657,217
Total liability measured at fair value	\$ 1,657,217	\$ —	\$ —	\$ 1,657,217
2021				
Derivative liabilities	\$ 910,511	\$ —	\$ —	\$ 910,511
Total liability measured at fair value	<u>\$ 910,511</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 910,511</u>

Impairment of Long-Lived Assets

The Company continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. As of April 30, 2019 the Company impaired the license agreement expensing \$378,600.

Recent Accounting Pronouncements

See Note 3 to our consolidated financial statements included in this Annual Report for disclosure of recent accounting pronouncements.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

This item is not required for a smaller reporting company.

Item 8. Financial Statements and Supplementary Data.

The consolidated financial statements filed with this report are presented beginning on page F-1, immediately following the signature page.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

For purposes of this section, the term *disclosure controls and procedures* means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the “Act”) (15 U.S.C. 78a et seq.) is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. As of the end of the period covered by this Annual Report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our CEO and CFO has concluded that the Company's disclosure controls and procedures are not effective because of the identification of a material weakness in our internal control over financial reporting, which is identified below, which we view as an integral part of our disclosure controls and procedures.

Changes in Internal Controls over Financial Reporting

We have not made any changes in our internal controls over financial reporting that occurred during the period covered by this Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act of 1934. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. Because of inherent limitations, a system of internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of April 30, 2021 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on its evaluation, our management concluded that there are material weaknesses in our internal control over financial reporting was not effective as of April 30, 2021 and there are material weaknesses in our internal control over financial reporting. We lack full time personnel in accounting and financial staff to sufficiently monitor and process financial transactions in an efficient and timely manner. This allows for insufficient segregation of duties and a lack of multiple levels of supervision and review. Our history of losses has severely limited our budget to hire and train enough accounting and financial personnel needed to adequately provide this function. Consequently, we lacked sufficient technical expertise, reporting standards and written policies and procedures. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

This Form 10-K does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to an exemption for non-accelerated filers set forth in Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Item 9B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Our executive officers and directors are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Merrill W. Moses	67	President, CEO, Secretary, Interim CFO and Director
Charles C. Hooper	73	Director

On April 30, 2016, the Board of Directors appointed Merrill W. Moses to replace Stephen M. Studdert as a director, President, CEO, acting CFO and Secretary of the Company.

On May 20, 2016, the Board of Directors appointed Charles C. Hooper to replace Frank Thorwald as a director.

All directors serve for a one-year term until their successors are elected or they are re-elected at the annual stockholders' meeting. Officers hold their positions at the pleasure of the board of directors, absent any employment agreement, of which none currently exists or is contemplated.

We presently anticipate that we will consider new, qualified persons to become directors in the future, although no new appointments or arrangements have been made as of the date hereof.

There is no arrangement, agreement or understanding between any of the directors or officers and any other person pursuant to which any director or officer was or is to be selected as a director or officer. Also, there is no arrangement, agreement or understanding between management and non-management stockholders under which non-management stockholders may directly or indirectly participate in or influence the management of our affairs.

The business experience of each of the persons listed above during the past five years is as follows:

Merrill W. Moses attended Brigham Young University and over the past 40 years has been an entrepreneur and founder of a variety of independent business ventures. He has also been involved in operating an independent oil and gas company and a mining and exploration company. Since 1992, Mr. Merrill has served as President and CEO of two oil and gas companies, Energy Pro Inc. and Dynamic Energy & Petroleum Inc. Mr. Moses is also a founding partner in 2007 of Liberty Capital International, Inc., an international financial and project management company that provides various private client financial and asset management services.

Charles C. Hooper has a background in Mineral Exploration and Mining and currently is the owner of Old Town Financial in La Jolla, California, a designer, financier and developer of commercial buildings and other real estate projects. Previously, he was a missile guidance engineer designing and building missile guidance systems for the U.S. Army. Mr. Hooper also served as an officer in the U.S. Navy during the Viet Nam war. He is a graduate system engineer from the University of California at Los Angeles and holds a Master of Science Degree in Management.

None of our officers, directors or control persons has had any of the following events occur:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two years prior to that time;
- any conviction in a criminal proceeding or being subject to a pending criminal proceeding, excluding traffic violations and other minor offenses;
- being subject to any order, judgment or decree, not substantially reversed, suspended or vacated, of any court of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking business; and
- being found by a court of competent jurisdiction in a civil action, the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

No director is deemed to be an independent director. Our board of directors performs some of the functions associated with a nominating committee and a compensation committee, including reviewing all forms of compensation provided to our executive officers, directors, consultants and employees, including stock compensation. The board will also perform the functions of an audit committee until we establish a formal committee.

Compliance With Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of our common stock, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. We believe that no reports were filed during the fiscal year 2021.

Code of Ethics

We currently do not have a code of ethics. We do intend to adopt a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions

Item 11. Executive Compensation.

We do not have a bonus, profit sharing, or deferred compensation plan for the benefit of employees, officers or directors. We currently have no employees and do not pay any salaries. Compensation for our officers and directors is generally established through a written Service Agreement.

The following table depicts compensation accrued to officers and directors for the fiscal years ended April 30, 2021, 2020 and 2019.

Name and Principal Position	Year Ended	Salary Bonus		All Other	Total
	April 30,			Consideration	
Merrill W. Moses, President, CEO, Secretary, Interim CFO and Director (1)	2019	\$ 0	\$ 0	\$ 150,000	\$ 150,000
	2020	\$ 0	\$ 0	\$ 150,000	\$ 150,000
	2021	\$ 0	\$ 0	\$ 150,000	\$ 150,000
Charles Cortland Hooper, Director (2)	2019	\$ 0	\$ 0	\$ 60,000	\$ 60,000
	2020	\$ 0	\$ 0	\$ 60,000	\$ 60,000
	2021	\$ 0	\$ 0	\$ 60,000	\$ 60,000

(1) Mr. Moses' compensation for services as President, CEO, Secretary, Interim CFO and Director was accrued pursuant to a Service Agreement with the Company dated April 25, 2016. As of April 30, 2021, \$388,750 was payable to Mr. Moses by the Company. In addition, pursuant to a Service Agreement with Passive Security Scan Inc. ("PSSI"), compensation of \$30,000 was accrued for the year with a payable as of April 30, 2021 of \$135,000 payable to Mr. Moses.

(2) Mr. Hooper's compensation for the fiscal year ended April 30, 2021 was \$60,000 with \$294,000 accrued as a payable to Mr. Hooper. The compensation for services as Director was accrued pursuant to a Service Agreement dated May 20, 2016.

During the fiscal year ended April 30, 2020, we accrued expenses and services rendered by EMAC in the amount of \$139,098 pursuant to Administration Agreements with DTII and PSSI. Total accrued payable to EMAC for services and expense reimbursement as of April 30, 2021 was \$277,970.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information as of August 12, 2021 with respect to the beneficial ownership of our common stock and based on 107,336,489 shares outstanding:

- Each stockholder believed to be the beneficial owner of more than 5% of our common stock;
- by each of our directors and executive officers; and
- all of our directors and executive officers as a group.

For purposes of the following table, a person is deemed to be the beneficial owner of any shares of common stock (i) over which the person has or shares, directly or indirectly, voting or investment power, or (ii) of which the person has a right to acquire beneficial ownership at any time within 60 days after the date of this report. "Voting power" is the power to vote or direct the voting of shares and "investment power" includes the power to dispose or direct the disposition of shares.

<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u> ⁽¹⁾	<u>Percent of Class</u>
<i>Directors and Executive Officers:</i>		
Merrill W. Moses, President & CEO 4730 S. Fort Apache Road, Suite 300 Las Vegas, Nevada 89147	1,000,468	1.00%
Charles C. Hooper, Director 4730 S. Fort Apache Road, Suite 300 Las Vegas, Nevada 89147	167	0.00%
All directors and executive officers as a group (2 person)	1,000,635	1.00%

(1) Unless otherwise indicated, the named person will be the record and beneficially owner of the shares indicated.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Except as set forth below, we have not entered into any other material transactions with any officer, director, nominee for election as director, or any stockholder owning greater than five percent (5%) of our outstanding shares, nor any member of the above referenced individuals' immediate family.

During the years ended April 30, 2021 and 2020, management and administrative services were compensated by the Company pursuant to: a Service Agreement between the Company and Merrill Moses, President, CEO, Secretary, acting CFO and director, dated April 25, 2016; a Service Agreement between the Company and Charles Hooper, director, dated May 20, 2016; a Service Agreement between the Company; and an Administration Agreement with EMAC Handles AG (“EMAC”), a shareholder of the Company and PSSI, executed on March 15, 2011 and renewed on May 1, 2014.

During the year ended April 30, 2021, management and administrative services were compensated by PSSI pursuant to a Service Agreement between PSSI and Merrill Moses, dated January 12, 2017 and effective February 1, 2017 and an Administration and Management Agreement dated January 12, 2017 between PSSI and RAB Investments AG (“RAB”), a significant lender of the Company and a shareholder of PSSI.

The fees are based on services provided and invoiced by the related parties on a monthly basis and the fees are paid in cash when possible or with the Company’s common stock. The Company also, from time to time, has some of its expenses paid by related parties with the intent to repay. These types of transactions, when incurred, result in payables to related parties in the Company's consolidated financial statements as a necessary part of funding the Company's operations.

Previously on December 11, 2018, the Board of Directors resolved to change the terms of the company’s Series A and Series B Preferred Shares from ten (10) shares of DTII common stock for each one (1) share of Preferred Stock, to five (5) shares of DTII common stock for each one (1) share of Preferred Stock. The revised conversion terms applied to all issued and outstanding Preferred Shares and to future issuances of Series A and Series B Preferred Stock.

As of April 30, 2021, the Company and PSSI had the following consolidated payable balances due to related parties, which resulted from transactions with significant shareholders and officers and directors of the Company.

EMAC	\$ 432,068
Merrill Moses, President, CEO, Secretary, acting CFO & director	523,750
Charles Hooper, director	294,000
	<u>\$ 1,249,818</u>

None of our directors are deemed to be independent directors. We do not have a compensation, audit or nominating committee, rather those functions are carried out by the board as a whole.

Item 14. Principal Accounting Fees and Services.

The following tables present for each of the last two fiscal years the aggregate fees billed in connection with the audits of our financial statements and other professional services rendered by our independent registered public accounting firm Fruci & Associates II, PLLC :

	2021	2020
Audit fees	\$ 40,606	\$ 36,099
Audit related fees	\$ 1,474	\$ 761
Tax fees	\$ -	\$ -
All other fees	\$ --	\$ --

Audit fees represent the professional services rendered for the audit of our annual financial statements and the review of our financial statements included in quarterly reports, along with services normally provided by the accounting firm in connection with statutory and regulatory filings or engagements. Audit-related fees represent professional services rendered for assurance and related services by the accounting firm that are reasonably related to the performance of the audit or review of our financial statements that are not reported under audit fees.

Tax fees represent professional services rendered by the accounting firm for tax compliance, tax advice, and tax planning. All other fees represent fees billed for products and services provided by the accounting firm, other than the services reported for in the other categories.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Exhibits

<u>Exhibit No.</u>	<u>Exhibit Name</u>
3.1 (2)	<u>Articles of Incorporation and amendments thereto</u>
3.2 (1)	<u>Bylaws</u>
4.1 (2)	<u>Instrument defining security holder rights</u>
21.1	<u>Subsidiaries</u>
31.1	<u>Certification of Chief Executive Officer and Interim Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1	<u>Certification of Chief Executive Officer and Interim Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101 INS*	XBRL Instance Document
101 SCH*	XBRL Schema Document
101 CAL*	XBRL Calculation Linkbase Document
101DEF*	XBRL Definition Linkbase Document
101 LAB*	XBRL Labels Linkbase Document
101 PRE*	XBRL Presentation Linkbase Document

*The XBRL related information in Exhibit 101 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

- (1) Filed as exhibit to Form S-1 filed on November 10, 2011.
- (2) Filed as exhibit to Amendment No. 1 to Form S-1 filed on March 12, 2012.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Defense Technologies International Corp.

By: /S/ MERRILL W. MOSES

Merrill W. Moses
Chief Executive Officer

Dated: August 13, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/S/ MERRILL W. MOSES</u> Merrill W. Moses	Director	August 13, 2021
<u>/S/ CHARLES C. HOOPER</u> Charles C. Hooper	Director	August 13, 2021

Defense Technologies International Corp. and Subsidiary

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Years Ended April 30, 2021 and 2020

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Defense Technologies International Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Defense Technologies International Corp. and Subsidiary ("the Company") as of April 30, 2021 and 2020, and the related consolidated statements of operations, stockholders' deficit, and cash flows for each of the years in the two-year period ended April 30, 2021, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the two-year period ended April 30, 2021, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has an accumulated deficit, working capital deficit and expects to incur further losses in the development of its business. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Restatement of Previously Issued Financial Statements

As discussed in Note 2 to the financial statements, the 2020 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and

that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Accounting for Embedded Conversion Features on Notes Payable — Refer to Note 6 to the financial statements

Critical Audit Matter Description

The Company has issued several notes payable during the year with conversion rates that are adjustable at a discounted rate to market prices. The terms allow for variable amounts of shares to be converted for a set dollar value; this and other factors require the embedded conversion feature to be bifurcated and evaluated at each reporting period. Calculations and accounting for the notes payable and embedded conversion features require management's judgments related to initial and subsequent recognition of the debt and related conversion features, use of a valuation model, and determination of appropriate inputs used in the selected valuation model.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to evaluating the Company's accounting for notes payable and related accounts included the following, among others:

- Confirmation of notes payable and related terms.
- Independent assessment of the appropriate valuation model for derivatives, performing independent calculations based on the model and comparing the Company's results to a reasonable range as determined during the audit.
- Determining if there were unusual transactions related to notes payable and the appropriate accounting treatment for such transactions.
- Testing of substantially all transactions related to this matter.

Fruici & Associates II, PLLC

We have served as the Company's auditor since 2017.

Spokane, Washington
August 13, 2021

Defense Technologies International Corp. and Subsidiary
Consolidated Balance Sheets

	April 30,	
	2021	2020
		Restated
ASSETS		
Current assets:		
Cash	\$ 44,209	\$ 70,416
Inventory	69,381	21,368
Prepaid expenses	20,000	20,000
Total current assets	133,590	111,784
Fixed assets, net of depreciation of \$14,575 and \$2,915	20,336	31,996
Total assets	\$ 153,927	\$ 143,780
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 487,258	\$ 364,199
Accrued license agreement payment	121,300	71,300
Accrued interest and fees payable	169,273	178,066
Customer deposits	30,375	45,695
Derivative liabilities	910,511	1,657,217
Convertible notes payable, net of discount	805,890	821,949
Payables – related parties	1,249,818	970,547
Notes payable	377,542	424,226
Total current liabilities	4,151,967	4,533,199
Total liabilities	4,151,967	4,533,199
Commitments and contingencies	-	-
Mezzanine equity:		
Redeemable series C preferred shares, par value \$0.0001. 1,500,000 shares authorized 244,700 and zero issued and outstanding: respectively plus accrued interest at 7%	216,257	-
Stockholders' deficit		
Convertible preferred stock, \$0.0001 par value; 20,000,000 shares authorized:		
Series A – 2,925,369 and 2,925,369 shares issued and outstanding, respectively	292	292
Series B – 520,000 and 520,000 shares issued and outstanding, respectively	52	52
Common stock, \$0.0001 par value; 400,000,000 shares authorized, 90,242,855 and 9,056,524 shares issued and outstanding, respectively, post reverse split	9,022	905
Additional paid-in capital	9,209,750	7,191,595
Accumulated deficit	(13,229,003)	(11,421,007)
Total	(4,009,887)	(4,228,163)
Non-controlling interest	(204,411)	(161,256)
Total stockholders' deficit	(4,214,298)	(4,389,419)
Total liabilities and stockholders' deficit	\$ 153,927	\$ 143,780

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

Defense Technologies International Corp. and Subsidiary
Consolidated Statements of Operations

	Years Ended April 30,	
	2021	2020 Restated
Revenue	\$ 15,230	\$ -
Cost of goods	(13,085)	-
Operating expenses:		
Consulting fees	420,500	529,479
Depreciation	11,660	-
Investor relations	-	149,245
General and administrative	313,203	224,716
	745,363	903,440
Total operating expenses	745,363	903,440
Loss from operations	(743,128)	(903,440)
Other income (expense):		
Gain (loss) on shares issued for service	-	11,338
Gain (loss) on cancellation of stock	-	96,518
Gain (loss) on notes payable	(466,200)	(2,178,519)
Finance and interest cost on notes	(209,237)	(341,098)
Interest expense including penalty and debt discount	(674,834)	(146,299)
Gain (loss) on derivative liabilities	192,924	1,983,286
Gain on extinguishment of debt	54,831	204,906
	(1,102,516)	(369,868)
Total other income (expense)	(1,102,516)	(369,868)
Gain(loss) before income taxes	(1,845,644)	(1,273,308)
Provision for income taxes	-	-
Net gain (loss)	(1,845,644)	(1,273,308)
Non-controlling interest in net loss of consolidated subsidiary	43,155	31,653
Net gain (loss) attributed to the Company	\$ (1,802,489)	(1,241,654)
Net loss per common share – basic and diluted	\$ (0.04)	\$ (0.18)
Weighted average shares outstanding – basic and diluted	44,341,084	6,969,922

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

Defense Technologies International Corp. and Subsidiary
Consolidated Statements of Stockholders' Deficit
For the Years Ended April 30, 2021 and 2020

	Preferred stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Non-Controlling Interest	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance, April 30, 2019	3,445,369	\$ 344	5,022,244	\$ 502	\$ 5,496,972	\$ (9,276,082)	\$ (129,603)	\$ (3,907,867)
Common stock issued for service	-	-	798,200	80	166,637	-	-	166,717
Common stock for service cancelled	-	-	(408,333)	(41)	(96,476)	-	-	(96,517)
Common stock issued for the conversion of debt	-	-	3,258,322	325	232,094	-	-	232,419
Common stock issued for accounts payable	-	-	386,091	39	90,206	-	-	90,245
Retirement of derivative at conversion	-	-	-	-	398,892	-	-	398,892
Down round due to reset	-	-	-	-	903,270	(903,270)	-	-
Net loss	-	-	-	-	-	(1,241,655)	(31,653)	(1,273,308)
Balance at April 30, 2020 (Restated)	3,445,369	344	9,056,524	905	7,191,595	(11,421,007)	(161,256)	(4,389,419)
Common stock issued for debt	-	-	81,186,331	8,117	694,210	-	-	702,327
Temporary equity – Preferred shares	244,700	-	-	-	-	-	-	216,257
Retirement of derivative at conversion	-	-	-	-	1,334,695	-	-	1,334,695
Capitalize funding and dividend	-	-	-	-	(10,750)	(5,507)	-	(16,257)
Net loss	-	-	-	-	-	(1,802,489)	(43,155)	(1,845,644)
Balance at April 30, 2021	3,690,069	\$ 344	90,242,855	\$ 9,022	\$ 9,209,750	\$ (13,229,003)	\$ (204,411)	\$ (4,214,298)

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

Defense Technologies International Corp and Subsidiary
Consolidated statement of Cash Flows for Years Ended April 30,

	2021	2020
		Restated
Cash flows from operating activities:		
Net gain (loss)	\$ (1,845,644)	\$ (1,273,308)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	11,660	2,915
Common stock issued for services	-	166,717
Common stock issued for service cancellation	-	(96,517)
Amortization of debt discount and financing fees	346,701	341,099
(Gain) loss on derivative liabilities	(192,924)	(1,983,286)
(Gain) loss on extinguishment of debt	(54,831)	(204,906)
Loss on notes	466,200	2,178,519
Change in operating assets and liabilities:		
(Increase) decrease in inventory	(48,013)	(18,581)
(Increase) decrease in prepaid expenses	-	(9,500)
Increase in accounts payable and accrued expense	303,845	301,752
Increase in customer deposits	(15,320)	45,695
Increase in payables – related parties	279,271	220,668
Net cash used in operating activities	(363,207)	(328,733)
Cash flows used in investing activities		
Purchase of fixed assets	-	(34,911)
Net cash used in investing activities	-	(34,911)
Cash flows from financing activities:		
Temporary equity from preferred shares for cash	200,000	-
Repayment of convertible notes	(135,500)	(158,000)
Proceeds from convertible notes payable, net	272,500	597,000
Proceeds (repayment) from notes payable	-	(5,000)
Net cash provided by financing activities	337,000	434,000
Net increase (decrease) in cash	(26,207)	70,356
Cash at beginning of the year	70,416	60
Cash at end of the year	\$ 44,209	\$ 70,416
Supplement Disclosures		
Interest paid	\$ -	\$ 22,600
Income tax paid	\$ -	\$ -
Non-Monetary Transactions		
Interest accrued on preferred shares	\$ 5,507	\$ -
Common stock issued for convertible debt	\$ 702,327	\$ 232,419
Common stock issued for accounts payable	\$ -	\$ 90,245
Retirement of derivative liability on debt conversion	\$ 1,334,695	\$ 398,892
Derivative liabilities for day 1 on tainted convertible notes	\$ 780,913	\$ 2,607,576
Common stock issue as an inducement to note issuance	\$ -	\$ 3,000

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

Defense Technologies International Corp. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended April 30, 2021 and 2020

NOTE 1. NATURE OF BUSINESS AND CONTINUED OPERATIONS

Defense Technologies International Corp. (the "Company ") was incorporated in the State of Delaware on May 27, 1998. Effective June 15, 2016, the Company changed its name to Defense Technologies International Corp. from Canyon Gold Corp. to represent the Company's expansion goals more fully into the advanced technology sector.

Effective January 12, 2017, Passive Security Scan, Inc. ("PSSI") was incorporated in the state of Utah as subsidiary controlled by the Company. The Company transferred to PSSI its exclusive world-wide license to the defense, detection and protection security products previously acquired by the Company. The Company currently owns 76.28% of PSSI with 23.72% acquired by four individuals and entities. The Company plans to continue the development of the technology and conduct all sales and marketing activities in PSSI.

On January 19, 2018, the Board of Directors, with the approval of a majority of the shareholders, passed a resolution to effect a reverse split of the Company's outstanding common stock on a 1 share for 1,500 shares (1:1500) basis. The reverse split was effective on March 20, 2018. The number of shares in the financials are reflective of the reverse split.

Going Concern

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to a going concern. Through April 30, 2021, the Company had revenues of \$15,130, has accumulated deficit of \$13,229,003 and a working capital deficit of \$4,074,807 and expects to incur further losses in the development of its business, all of which cast substantial doubt about the Company's ability to continue as a going concern. Management plans to continue to provide for the Company's capital needs during the year ending April 30, 2021 by issuing debt and equity securities and by the continued support of its related parties. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. There is no assurance that funding will be available to continue the Company's business operations.

NOTE 2 – RESTATEMENT OF CONSOLIDATED FINANCIALS STATEMENTS FOR YEAREND APRIL 30, 2020

The Company is restating the consolidated financial statements for the year ended April 30, 2020 due to a reset provision in its convertible notes which was not calculated in that year. The reset provision also resulted in a down round provision impacting paid in capital and retained earnings. The impact of the restatement effects the derivative liability, change in fair value, paid in capital, accumulated deficit, provision for income tax plus net loss for the year. The changes and impact of the restatement are shown in the table below:

Liabilities	For Year End April 30, 2020		
	As Reported	Adjustment	Restated
Accounts payable	364,199		364,199
Accrued license agreement payment	71,300		71,300
Accrued interest and fees	178,066		178,066
Customer deposits	45,695		45,695
Derivative liability	1,333,288	323,929	1,657,217
Convertible notes - net of discount	821,949		821,949
Payables - related party	970,547		970,547
notes payable	424,226		424,226
Total current liabilities	4,209,270	323,929	4,533,199
<u>Stockholder' deficit</u>			
Common stock	905		905
Paid in capital	6,288,325	903,270	7,191,595
Accumulated deficit	(10,193,808)	(1,227,199)	(11,421,007)
Total	(3,904,234)	(323,929)	(4,228,507)
Non- controlling interest	(161,256)		(161,256)
Total stockholders' deficit	(4,065,490)	(323,929)	(4,389,763)
total liabilities and stockholders' deficit	143,780		143,780
<u>Income(Expense)</u>			
Loss from operations	(903,440)		(903,440)
<u>Other income (expense)</u>			
Gain(loss) on shares issued for service	11,338		11,338
Gain (loss) on cancellation of stock	96,518		96,518
Gain (loss) on notes payable	(2,178,519)		(2,178,519)
Finance and interest cost on notes	(341,098)		(341,098)
Interest expense	(146,299)		(146,299)
Gain (loss) on derivative liabilities	2,307,215	(323,929)	1,983,286
Gain on extinguishment of debt	204,906		204,906
Total other income (expense)	(45,939)	(323,929)	(369,868)
Net gain (loss)	(949,379)	(323,929)	(1,273,308)
Non- controlling interest in net loss	31,653		31,653
Net gain(loss) attributed to the Company	(917,726)	(323,929)	(1,241,655)
Cash flows from operating activities			
Net loss	(949,379)	(323,929)	(1,273,308)
Change in derivative liability	2,307,215	323,929	1,983,386
Net cash used in operating activities	(328,733)	--	(328,733)

The restatement for the year ended April 30, 2020 did not impact cash flows for net cash used in operating activities as the change in net loss was offset by the change on derivative liabilities.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The Company's fiscal year end is April 30.

Recent Accounting Pronouncements

In January 2017, the FASB issued Accounting Standards Update ("ASU") No. 2017-4, "Intangibles – Goodwill and Other (Topic 350): "Simplifying the Test for Goodwill Impairment." This update simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Instead, under the amendments in this update, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. An entity should apply the amendments in this update on a prospective basis. An entity is required to disclose the nature of and reason for the change in accounting principle upon transition. That disclosure should be provided in the first annual period and in the interim period within the first annual period when the entity initially adopts the amendments in this update. A public business entity that is an SEC filer should adopt the amendments in this Update for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. The Company has determined that there is no impact on its consolidated financial statements from the adoption of this accounting pronouncement.

In January 2017, the FASB issued ASU No. 2017-1, "Business Combinations (Topic 805): Clarifying the Definition of a Business." The amendments in this update clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The amendments of this ASU are effective for public business entities for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The amendments in this Update are to be applied prospectively on or after the effective date. The Company has determined that there is no impact on its consolidated financial statements from the adoption of this accounting pronouncement.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, "Leases (Topic 842)". The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees is required to recognize a lease liability and a right-of-use asset for all leases. The new lease guidance also simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. The amendments in this ASU are effective for public companies for fiscal years beginning after December 15, 2018 and are to be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Company did adopt the new accounting pronouncement and is recording a lease use asset and lease liability as of May 31, 2019. As of August 30, 2019 the lease was cancelled by the landlord thus no lease use and liability was reported as of April 30, 2021 and 2020 .

In August 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No 2020-06 Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging-Contracts in Entity’s Own Equity (Subtopic 815-40), Accounting for Convertible Instruments and Contract’s in an Entity’s own Equity. The ASU simplifies accounting for convertible debt instruments by removing major separation models required under GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it. The ASU simplifies the diluted net income per share calculation in certain areas. The ASU is effective for annual and interim periods beginning after December 31, 2021 and early adoption is permitted for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. The Company is currently evaluating the impact that this new guidance will have on its financial statements.

Although there are several other new accounting pronouncements issued or proposed by the FASB, which the Company has adopted or will adopt, as applicable, the Company does not believe any of these accounting pronouncements has had or will have a material impact on its consolidated financial position or results of operations.

Consolidation and Non-Controlling Interest.

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiary, Long Canyon, through January 15, 2017, and its majority-owned subsidiary, PSSI, from its formation on January 15, 2017. All inter-company transactions and balances have been eliminated.

The non-controlling interest in PSSI, representing 5,441,436 common shares, or 23,72%, was acquired by several individuals and entities, including related parties, in exchange for services valued at \$6,100 and the extinguishment of Company accounts payable – related parties with a book value of \$9,835.

Impairment of Long-Lived Assets

The Company reviews the carrying value of its long-lived assets annually or whenever events or changes in circumstances indicate that the historical-cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the asset by comparing the undiscounted future net cash flows expected to result from the asset to its carrying value. If the carrying value exceeds the undiscounted future net cash flows of the asset, an impairment loss is measured and recognized. An impairment loss is measured as the difference between the net book value and the fair value of the long-lived asset. Fair value is estimated based upon either discounted cash flow analysis or estimated salvage value. On April 30, 2019, the Company impaired its licenses agreement of \$378,600.

Basic and Diluted Net Loss per Share

The Company computes net loss per share in accordance with ASC 260, *Earnings per Share*, which requires presentation of both basic and diluted loss per share (“EPS”) on the face of the statement of operations. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options and warrants, using the treasury stock method, convertible preferred stock, and convertible debt, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all potentially dilutive common shares if their effect is antidilutive.

As of April 30, 2021, convertible debt, related accrued interest payable plus warrants, options and convertible preferred shares are convertible into 114,969,664 shares of the Company’s common stock.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes*. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating loss and tax credit carry forwards.

Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Financial Instruments

Pursuant to ASC 820, *Fair Value Measurements and Disclosures* and ASC 825, *Financial Instruments*, an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value using a hierarchy based on the level of independent, objective evidence when measuring fair value using a hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization with the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy prioritized the inputs into three levels that may be used to measure fair value:

Level 1: applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2: applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in markets that are not active.

Level 3: applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

As of April 30, 2021 and 2020, the Company believes the amounts reported for cash, payables, accrued liabilities and amounts due to related parties approximate their fair values due to the nature or duration of these instruments.

Liabilities measured at fair value on a recurring basis were estimated as follows at April 30, 2021 and 2020:

	Total	Level 1	Level 2	Level 3
2020				
Derivative liabilities (Restated)	\$ 1,657,217	\$ -	\$ -	1,657,217
Total liability measured at fair value	\$ 1,657,217	\$ -	\$ -	\$ 1,657,217
2021				
Derivative liabilities	\$ 910,511	\$ -	\$ -	\$ 910,511
Total liability measured at fair value	\$ 910,511	\$ -	\$ -	\$ 910,511

Derivative Liabilities

We have identified the conversion features of certain of our convertible notes payable as derivatives. We estimate the fair value of the derivatives using the Black-Scholes pricing model. We estimate the fair value of the derivative liabilities at the inception of the financial instruments, at the date of conversions to equity and at each reporting date, recording a derivative liability, debt discount, and a gain or loss on change in derivative liabilities as applicable. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility and variable conversion prices based on market prices as defined in the respective agreements. These inputs are subject to significant changes from period to period and to management's judgment; therefore, the estimated fair value of the derivative liabilities will fluctuate from period to period, and the fluctuation may be material.

Non-Monetary Transactions

All issuances of the Company's common stock for non-cash consideration have been assigned a dollar amount equaling either the market value of the shares issued or the value of consideration received whichever is more readily determinable. The majority of the non-cash consideration received pertains to services rendered by consultants and others and has been valued at the market value of the shares issued.

Stock-Based Compensation

The Company accounts for stock-based compensation to employees and consultants in accordance with FASB ASC 718. Stock-based compensation to employees is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite employee service period. The Company estimates the fair value of stock-based payments using the Black Scholes option-pricing model for common stock options and warrants and the closing price of the Company's common stock for common share issuances.

Cash and Cash Equivalents

The Company considers all investments purchased with original maturity of three or fewer months to be cash equivalents.

Inventory

Inventories are stated at the lower or cost of market using the first-in; first-out (FIFO) cost method of accounting. The inventory consists of raw materials used to make products of \$55,871, work in progress of zero and finished goods for sale of \$13,510.

Equipment

Equipment is carried at the cost of acquisition and depreciated over the estimated useful lives of the assets which is 36 months. Costs associated with repair and maintenance is expensed as incurred. Costs associated with improvements which extend the life, increase the capacity or improve the efficiency of our property and equipment are capitalized and depreciated over the remaining life of the related asset. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets

NOTE 4 – LICENSE AGREEMENT

Effective July 15, 2016, the Company executed documents intended to finalize the acquisition of 100% of Defense Technology Corporation, a non-related privately held Colorado company ("DTC"), a developer of defense, detection and protection products to improve security for Anchor schools and other public facilities. Subsequently, the Company and DTC mutually agreed to rescind the acquisition of DTC and entered into a Rescission Agreement and Mutual Release (the "Rescission Agreement"), dated October 17, 2016.

In connection with the Rescission Agreement with the Company, DTC rescinded its agreement with the inventor and developer of the technology and assets that were subject to the original agreement between the Company and DTC. On October 19, 2016, the Company entered into a new Definitive Agreement with Controlled Capture Systems, LLC ("CCS"), representing the inventor of the technology and assets previously acquired by DTC, that included a new exclusive Patent License Agreement and Independent Contractor agreement. Under the license agreement with CCS, the Company acquired the world-wide exclusive rights and privileges to the CCS security technology, patents, products and improvements. The term of the License Agreement will be from October 19, 2016 until the expiration of the last to expire of the licensed issued patents or patents to be issued.

The Company agreed to pay CCS an initial licensing fee of \$25,000 and to pay ongoing royalties at the end of each six-month period at the rate of the greater of 5% of gross sales used or sold, or the minimum royalty payment of \$25,000. The Company also agreed to compensate investors that have provided funding for the development of CCS's technology with 2,667 shares of the Company's common stock. Additionally, CCS will be entitled to receive 167 shares of the Company's common stock upon completed sales of 1,000 passive scanner units based on the CCS technology.

The Independent Contractor Agreement between the Company and CCS provides that CCS will provide support for the development of the security technology and products. An initial payment of \$5,000 was paid to CCS plus ongoing hourly compensation for services provided.

The Company capitalized the costs to acquire the License Agreement, including the \$25,000 initial licensing fee and the estimated value of \$353,600 of the 2,667 shares of the Company's common stock issued on November 10, 2016 to the CCS investors, which value was based on the closing market price of the Company's common stock on the date of the Definitive Agreement. The Company has recorded a current liability of \$121,300 in its consolidated balance sheet as of April 30, 2021 and \$71,300 as of April 30, 2020. Once sales of products based on the CCS technology begin, the Company will amortize the capitalized costs over the estimated life of the license agreement as determined by the legal life of patents issued.

On January 15, 2017, the Company transferred the License Agreement to PSSI in exchange for 15,000,000 common shares of PSSI, or 65.38% ownership. During the FY 2018 the Company increased its ownership of PSSI to 17,500,000 shares or 76.28% of the Company. The Company plans to continue the development of the technology and conduct all sales and marketing activities in PSSI.

On January 22, 2017, the Company and CCS entered into an Amendment to the Definitive Agreement, whereby CCS consented to the transfer of the Definitive Agreement, Patent License Agreement and Independent Contractor Agreement to PSSI and agreed to extend the due dates of certain payments due CCS to April 30, 2017. In exchange, CCS received 100,000 shares of PSSI common stock.

Also in connection with the Amendment to the Definitive Agreement, the investors that provided funding for the development of CCS's technology received 500,000 shares of PSSI common stock.

The Company reviewed its valuation of the license agreement and as of April 30, 2019 the Company elected to fully impair its licenses agreement resulting in an impairment loss of \$378,600.

NOTE 5: RELATED PARTY TRANSACTIONS

Payables – Related Parties

During the years ended April 30, 2021 and 2020, management and administrative services were compensated by the Company pursuant to: a Service Agreement between the Company and Merrill Moses, President, CEO, Secretary, acting CFO and director, dated April 25, 2016; a Service Agreement between the Company and Charles Hooper, director, dated May 20, 2016; a Service Agreement between the Company and Stephen Studdert, former President, CEO, Secretary, acting CFO and director, dated April 30, 2011; and an Administration Agreement with EMAC Handles AG (“EMAC”), a shareholder of the Company and PSSI, executed on March 15, 2011 and renewed on May 1, 2014.

During the year ended April 30, 2021, management and administrative services were compensated by PSSI pursuant to a Service Agreement between PSSI and Merrill Moses, dated January 12, 2017 and effective February 1, 2017 and an Administration and Management Agreement dated January 12, 2017 between PSSI and RAB Investments AG (“RAB”), a significant lender of the Company and a shareholder of PSSI.

The fees are based on services provided and invoiced by the related parties on a monthly basis and the fees are paid in cash when possible or with the Company's common stock. The Company also, from time to time, has some of its expenses paid by related parties with the intent to repay. These types of transactions, when incurred, result in payables to related parties in the Company's consolidated financial statements as a necessary part of funding the Company's operations.

Previously on December 11, 2018, the Board of Directors resolved to change the terms of the company's Series A and Series B Preferred Shares from ten (10) shares of DTII common stock for each one (1) share of Preferred Stock, to five (5) shares of DTII common stock for each one (1) share of Preferred Stock. The revised conversion terms applied to all issued and outstanding Preferred Shares and to future issuances of Series A and Series B Preferred Stock.

As of April 30, 2021 and 2020, the Company had payable balances due to related parties totaling \$1,249,818 and \$970,547, respectively, which resulted from transactions with shareholders, officers and directors of the Company.

Notes Payable

On March 5, 2018, the Company subsidiary PSSI entered into a note agreement with Premium Marketing Associates, LLC for \$25,000. The funds were designated for use in a marketing agreement with the Edward Fitzgerald Group for raising funds for PSSI. The note was to be repaid from investment fund generated by the Fitzgerald group plus 15% of the funds generated are paid to the investor.

On July 6, 2018, the Company signed an investment agreement with a third party. Under the terms of the agreement the Company receive \$250,000 through the Company attorney's trust account. On July 12, 2018, the Company received the \$250,000 less wire and legal payment of \$10,045. In addition the note holder will receive a royalty of 5% up to \$250,000 and then a royalty of 3.5% for two years thereafter. The note holder will receive 150,000 shares of the Company's common stock plus 100,000 warrants to purchase common shares within three years at \$2.50 per share.

On July 18, 2018, the Company entered into a promissory note of \$114,226.26 with interest rate of 8% per annum with Haynie & Company the Company's former auditors. Under the terms of the agreement commencing August 15, 2018 the Company is to pay Haynie \$5,000 per month. In addition the Company shall pay the note holder 20% of any funding event of private or public equity. As of April 30, 2021 the Company owed the note holder \$52,542 plus interest. As of April 30, 2021 the note is in default.

On January 26, 2019, the Company approved a loan from Brian McLain of \$275,000. The note is convertible into common stock of the Company and is non-dilutive for 2 years from date of the note. In addition the Company granted the lender 100,000 warrants convertible into common shares at \$1.00 per share. As of April 30, 2021 the \$25,000 balance of the loan was paid.

NOTE -6: CONVERTIBLE DEBT

On March 10, 2016, the Company entered into a convertible promissory note for \$17,000 with ACM Services GmbH, which bears interest at an annual rate of 6% and is convertible into shares of the Company's common stock at \$0.05 per share. The Company recorded a debt discount and a beneficial conversion feature of \$17,000 at the inception of the note. As of April 30, 2021 the balance of the notes was \$7,000 plus interest.

Pursuant to a Securities Purchase Agreement dated July 18, 2016 (the "July 2016 SPA", the Company entered into a Senior Secured Convertible Promissory Note (the "July 2016 Note") with Firstfire Global Opportunities Fund, LLC ("Firstfire") for \$189,000. The July 2016 Note was in default with respect to the maturity date, and the Company was in default on certain terms of the July 2016 SPA, including calculation of exercise prices on Firstfire debt conversions and limitations on the Company entering into subsequent "Variable Rate Transactions." On August 9, 2017, the Company and Firstfire entered into a Waiver and Settlement Agreement whereby the Company will issue an additional 8,667 shares of its common stock to Firstfire to cure the deficiency of shares previously issued in the debt conversions. Further, Firstfire agreed to waive any default with respect to the subsequent variable rate transactions. As of April 30, 2021 the balance due on the note was zero.

On February 16, 2018 Passive Security Scan Inc, a subsidiary of the Company issued a \$20,000 convertible note to Stuart Young. The note bears interest at 6% and is convertible after 6 months from the date of the note into stock of either PSSI or the Company at 50% discount to the 10 day trailing trading value of the Company's common stock.

On March 5, 2018, the Company subsidiary PSSI entered into a note agreement with Premium Marketing Associates, LLC for \$25,000. The funds were designated for use in a marketing agreement with the Edward Fitzgerald Group for raising funds for PSSI. The note was to be repaid from investment fund generated by the Fitzgerald group plus 15% of the funds generated are paid to the investor.

On July 6, 2018, the Company signed an investment agreement with a third party. Under the terms of the agreement the Company receive \$250,000 through the Company attorney's trust account. On July 12, 2018, the Company received the \$250,000 less wire and legal payment of \$10,045. In addition the note holder will receive a royalty of 5% up to \$250,000 and then a royalty of 3.5% for two years thereafter. The note holder received 150,000 shares of the Company's common stock plus 100,000 warrants to purchase common shares within three years at \$2.50 per share.

On September 6, 2018, the company received \$250,000 upon issuance of a debenture related to a certain securities purchase agreement with Ionic Ventures. The debenture bears interest at 15% per annum. The 15% original issue discount debenture (face amount \$275,000) is for a six-month period and is convertible into shares of the company's common stock at an initial conversion price of \$0.60 per share. Also, the debenture holder received 100,000 common stock purchase warrants to purchase DTII common stock, which may be exercised for up to three years at an initial exercise price of \$0.70 per share. The note and all subsequent notes from Ionic contain reset provisions. Based on the reset provision, the conversion price as of April 30, 2021 was \$0.0084 per share and the number of warrants increased to 8,333,333. The Company did not meet its payment obligation so Ionic granted an extension for an additional \$30,000 being added to the principal.

On October 4, 2018, the Company entered into an agreement with RAB Investments AG to consolidate all RAB outstanding notes issued by the Company prior to October 31, 2018. Under the terms of the agreement the Company agreed to accept a six percent interest to be calculated on all the notes since their inception. The agreement resulted in a new note for \$330,626 which included the additional interest and retired the original notes. As of April 30, 2021, the outstanding balance of the notes were \$318,127 plus interest

On January 26, 2019, the Company approved a loan from Brian McLain of \$275,000. The note is convertible into common stock of the Company and is non-dilutive for 2 years from date of the note. In addition the Company granted the lender 100,000 warrants convertible into common shares at \$1.00 per share. As of April 30 2021 the loan balance was zero.

On March 26, 2019, the Company entered into an agreement with Iconic Ventures, LLC to consolidate all RAB outstanding notes issued by the Company prior to October 31, 2018. Under the terms of the agreement the Company agreed to accept a six percent interest to be calculated on all the notes since their inception. In addition, the Company issued 300,000 three year warrants with a strike price of \$0.70 per share. The note and all subsequent notes from Ionic contain reset provisions Based on the rest provision the conversion price as of April 30, 2021 was \$0.0084 per share and the number of warrants increased to 25,000,000. The agreement resulted in a new note for \$330,626 which included the additional interest and retired the original notes. As of April 30, 2021, the balance of the note was \$55,000

On May 6, 2019, the Company issued an 8% convertible note to Black Ice Advisors, LLC for \$57,500 which matures on May 6, 2020. The note redeemable at a premium up to 140% of the face value within 180 days of issuance or is convertible after 180 days to the Company common stock at 60% of the lowest trading price twenty days prior to conversion. On December 19, 2019 Crown Bridge purchased the note from Black Ice. As part of the transaction the Company paid Black Ice \$35,000 and Crown Bridge assume the note including accrued interest and penalties which has a face value of \$48,871. The Company accounted for the difference of \$23,000 as financing costs and \$3,371 as interest. In addition the Company did a true up on another Crown note to the amount of \$8,125. AS of April 30, 2021 the balance of the note was zero.

On April 21, 2020, the Company issued a 10 % convertible note to Power Up Lending for \$78,000 which matures on April 21, 2021. The note is convertible 180 days from the date of the note into common stock of the Company at 61% of the average of the lowest three trading prices 20 days prior to conversion or may be redeemed up to 180 days after issuance for 139% of the face value plus accrued interest. As of April 30, 2021 the balance of the note was zero.

On May 10, 2019, the Company entered into a settlement agreement with Firstfire Global for payment of the original note for \$189,000 issued on July 18, 2016. Under the terms of the agreement the Company paid Firstfire \$65,000 on May 10, 2019 and \$10,000 to be paid on or before May 31, 2019. In addition Firstfire will receive 150,000 shares of the Company. As the \$10,000 was not received by April 30, 2020 Firstfire will receive additional shares for the \$10,000. As of April 30, 2021 the balance due on the note was zero.

On July 11, 2019, the Company issued an 8% convertible note to GS Capital Partners, LLC for \$58,000 which matures on July 11, 2020. The note redeemable at a premium up to 135% of the face value within 180 days of issuance or is convertible after 180 days to the Company common stock at 62% of the lowest trading price twenty days prior to conversion. As of April 30, 2021 the note and interest was paid in full.

On November 1, 2019, the Company issued a convertible note to Adar Alef, LLC for \$40,700 with a \$3,700 original discount. The note matures on October 31, 2020 bearing interest at the rate of 8% per annum. The note is convertible into common stock of the Company after 180 days at the rate of 70% of the lowest trading price for twenty days prior to conversion. The note may be repaid to the issuer within 180 days from issuance at variable premium rates of 115% to 135% above face value. As of April 30, 2021 the note and interest was paid in full

On November 12, 2019, the Company issued a convertible note to Platinum Point Capital, LLC for \$41,250 with an original discount of \$3,750. The note matures on November 12, 2020 bearing interest at the rate of 8% per annum with a default rate of 24%. The note is convertible into common stock of the Company after 180 days at the rate of 60% of the lowest trading price for twenty days prior to conversion. The note may be repaid to the issuer after 90 days and within 180 days from issuance at a premium rates of 140% above face value. As of April 30, 2021 the note and interest was paid in full

On November 12, 2019, the Company issued a convertible note to Jefferson Street Capital, LLC for \$41,250 with an original discount of \$3,750. The note matures on November 12, 2020 bearing interest at the rate of 8% per annum with a default rate of 24%. The note is convertible into common stock of the Company after 180 days at the rate of 60% of the lowest trading price for twenty days prior to conversion. The note may be repaid to the issuer after 90 days and within 180 days from issuance at a premium rates of 140% above face value. As of April 30, 2021 the note and interest was paid in full

On December 20, 2019, the Company issued a convertible note to Liah for \$63,950 with an original discount of \$8,950. The note matures on December 19, 2020 bearing interest at the rate of 8% per annum. The note is convertible into common stock of the Company after 180 days at the rate of 60% of the lowest trading price for twenty days prior to conversion. The note may be repaid to the issuer within 180 days from issuance at variable premium rates of 115% to 135% above face value. As of April 30, 2021 the note and interest was paid in full

On January 10, 2020, the Company issued a convertible note to Crown Bridge Partners, LLC with a principal amount of \$171,000 and a prorated original discount of \$15,000. The first tranche of the note received by the Company was a face value of \$57,000 and net amount received of \$50,000. Each tranche of the note matures twelve months from receipt of the tranche and bears interest at the rate of 10% per annum with a default rate of 15%. The note is convertible into common stock of the Company after 180 days at the rate of 60% of the lowest trading price for twenty days prior to conversion. The note may be repaid to the issuer within 180 days from issuance at variable premium rates of 125% above face value. As of April 30, 2021 the principal balance of the note was \$3,323.

On January 13, 2020, the Company issued an additional note to Ionic Ventures, LLC for \$220,000 with an original discount of \$20,000. The note is part of a securities purchase agreement dated August 31, 2018. The note matures on June 20, 2020 bearing interest at the rate of 15% per annum. The note is convertible into common stock of the Company at \$0.60 per share or of 60% of the lowest trading price for twenty days prior to conversion, whichever is the lowest. The note and all subsequent notes from Ionic contain reset provisions. Based on the reset provision the conversion price as of April 30, 2021 was \$0.0084 per share. An additional \$5,000 was added to the note for note extension leaving the balance as of April 30, 2021 of \$225,000.

On April 21, 2020, the Company issued an additional note to Power Up Lending LLC for \$78,000 with an original discount of \$3,000. The note matures on April 21, 2021 bearing interest at the rate of 10% per annum. The note is convertible after 180 days from issuance into common stock of the Company at 61% of the lowest trading price for twenty days prior to conversion. As of April 30, 2021 the note was paid in full.

On September 8, 2020, the Company issued a note to Diamond Investments for \$75,350 with an original discount of \$6,850. The note matures on September 8, 2021 bearing interest at the rate of 8% per annum. The note is convertible after 180 days from issuance into common stock of the Company at 70% of the lowest trading price for twenty days prior to conversion. As of April 30, 2021 the note was paid in full.

During the year ended April 30, 2020, the Company issued a total of 3,258,322 shares of its common stock in the conversion of \$232,419 convertible notes principal and accrued interest payable.

During the year ended April 30, 2021, the Company issued a total of 81,186,331 shares of its common stock in the conversion of \$702,327 convertible notes principal and accrued interest payable.

As of April 30, 2021, and April 30, 2020, the convertible debt outstanding, net of discount, was \$805,890 and \$821,949, respectively.

During the years ended April 30, 2021 and 2020, we had the following activity in our derivative liabilities:

Balance at April 30, 2019	\$ 1,252,539
Issuance and conversion of convertible debt, net	2,387,964
Gain on derivative (Restated)	(1,983,286)
Balance at April 30, 2020 (Restated)	1,657,217
Issuance and conversion of convertible debt, net	(553,782)
Gain on derivative liability	(192,924)
Balance at April 30, 2021	<u>\$ 910,511</u>

The estimated fair value of the derivative liabilities at April 30, 2021 was calculated using the Black-Scholes pricing model with the following assumptions:

Risk-free interest rate	1.80%
Expected life in years	0.25
Dividend yield	0%
Expected volatility	420.00%

NOTE 7 - EQUITY

Preferred Stock

The Company has 20,000,000 shares of \$0.0001 par value preferred stock authorized and has designated a Series A, a Series B and a series C preferred stock. The Company has authorized 5,000,000 series A and B shares each plus 1,500,000 series C preferred shares. Each share of the Series A preferred stock is convertible into ten common shares and carries voting rights on the basis of 100 votes per share. Each share of the Series B preferred stock is convertible into ten common shares and carries no voting rights.

Each of the Series C preferred shares are non-voting and are convertible to common stock as a "Blank Check" designation with terms and conditions as set by the board of directors.

During the year ended April 30, 2019 the Company converted 200,000 shares of Series A preferred into 2,000,000 shares of common stock.

On May 20, 2019, the Company approved the issuance of 2,831,350 shares of its common stock for the conversion of 283,135 for Series A preferred with a value of \$28. As of April 30, 2021 the Common shares had not been issued and the conversion was not completed.

During the year ended April 30, 2021 the Company issued 244,700 shares of series C preferred shares with a value of face value of \$210,75, net of discount for \$200,000 in cash.

As of April 30, 2019 the Company had 2,925,369 shares of Series A, 520,000 Series B shares and 244,700 shares of series C preferred shares issued and outstanding.

On May 9, 2019, DTII's Board of Directors unanimously resolved to revise the terms of the company's Series A and Series B Preferred Shares. Under the new terms, the conversion right of both Series A and B Preferred Shares was changed from five (5) shares of DTII common stock for each one (1) share of Preferred Stock, to a new conversion right of ten (10) shares of DTII common stock for each one (1) share of Preferred Stock. The revised conversion terms apply to all issued and outstanding Preferred Shares and to future issuances of Series A and Series B Preferred Stock. The Board received the unanimous consent to the changed terms from each current Preferred shareholder.

Common Stock:

The Company has 400,000,000 shares of \$0.0001 par value common stock authorized.

During the year ended April 30, 2020 the Company issued 3,258,322 shares of common stock with a value of \$232,419 for debt.

During the year ended April 30, 2020 the Company issued 386,091 shares of common stock with a value of \$90,245 for accounts payable.

During the year ended April 30, 2020, the Company issued 798,200 shares of its common stock for service with a value of \$166,779.

During the year ended April 30, 2020, the Company cancelled 408,333 shares of its common stock for service with a value of \$96,517. The shares were cancelled as they had been authorized by the Company but never issued by the transfer agent thus the Company elected to cancel the shares. The cancellation resulted in a gain on cancellation of shares of \$96,517.

During the year ended April 30, 2021 the Company issued 81,186,321 shares of common stock with a value of \$702,327 for the conversion of convertible debt.

NOTE 8 –WARRANTS AND OPTIONS

During the year ended April 30, 2019 the Company 600,000 warrants with a conversion price of \$0.70 to \$2.50 to four individuals and 250,000 options with a conversion price of \$1.00 to one individual. The warrants have a three year term and are convertible into the common shares of the Company.

Of the 600,000 warrants issued, the Company issued 400,000 warrants to Ionic Ventures as part of the convertible notes. The warrants contained an antidilution and reset provision to adjust to futures shares issued at a conversion price lower than the initial conversion price of \$0.70. Along with the reset provision the length of maturity of the warrants was extended. Based on the reset provisions the number of warrants increased to 33,333,333 with a reset conversion price of \$0.0084 resulting in a down round amount of \$903,270 during the year ended April 30, 2020.

A summary of the Company’s stock options and warrants as of April 30, 2021, and changes during the two years then ended is as follows:

	Options and Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contract Term (Years)	Aggregate Intrinsic Value
Outstanding and exercisable at April 30, 2019	850,000	1.14	2.75	\$ 816,000
Granted	-	-	—	—
Exercised	-	-	—	—
Forfeited or expired	-	-	—	—
Outstanding and exercisable at April 30, 2020	850,000	1.14	1.75	\$ 882,300
Granted	32,933,333	0.0084	2.50	—
Exercised	-	-	—	—
Forfeited or expired	-	-	—	—
Outstanding and exercisable at April 30, 2021	<u>33,783,333</u>	<u>0.037</u>	<u>2.48</u>	<u>\$ 239,861</u>

The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value, based on our closing stock price of \$0.0155 as of April 30, 2021, which would have been received by the holders of in-the-money options had the option holders exercised their options as of that date.

NOTE 9 – INCOME TAX

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by the valuation allowances when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company’s deferred tax assets for the Company consisted of the following as of April 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
		Restated
Income/(Loss) Before Income Taxes	\$ (1,845,644)	\$ (1,273,308)
Taxable income(loss)	(1,652,720)	876,695
Valuation Allowance	<u>1,018,612</u>	<u>671,541</u>
Net Operating Losses	(4,850,534)	(3,197,814)
Tax Rate	21%	21%
Deferred Tax Assets	(1,018,612)	(671,541)
Valuation Allowance	<u>1,018,612</u>	<u>671,541</u>
Net Deferred Tax Assets	<u>\$ -</u>	<u>\$ -</u>

The Company had a net loss of for the years ended April 30, 2020 and 2021, respectively. As of April 30, 2021, the Company had a net operating loss carry forward of \$4,826,054 which can be used to offset future taxable income.

The effective rate of corporate income tax was reduced from a maximum rate of 35% to 21% effective in the tax year 2017. A reconciliation of income taxes at the federal statutory rate to amounts provided for the years ended April 30, 2020 and 2021 as follows:

	<u>2020</u>	<u>2021</u>
U.S. federal statutory rate	21%	21%
Net operating loss	<u>(21%)</u>	<u>(21%)</u>
Effective tax rate	<u>-%</u>	<u>-%</u>

The Company’s tax years within the United States remain open for review back to 2016.

The Company’s policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The Company has the following commitments as of April 30, 2021:

- a) Administration Agreement with EMAC Handels AG, renewed effective May 1, 2014 for a period of three years. Monthly fee for administration services of \$7,500 office rent of \$250 and office supplies of \$125. Extraordinary expenses are invoiced by EMAC on a quarterly basis. The fee may be paid in cash and or with common stock.
- b) Service Agreement signed April 25, 2016 with Merrill W. Moses, President, Director and CEO, for services of \$7,500 per month beginning May 2016 and the issuance of 233 restricted common shares of the Company. The fees may be paid in cash and or with common stock.
- c) Service Agreement signed May 20, 2016 with Charles C. Hooper, Director, for services of \$5,000 per month beginning May 2016 and the issuance of 233 restricted common shares of the Company. The fees may be paid in cash and or with common stock.
- d) Administration and Management Agreement of PSSI signed January 12, 2017 with EMAC Handels AG, for general fees of \$5,000 per month, office rent of \$250 and telephone of \$125 beginning January 2017, the issuance of 2,000 common shares of PSSI and a 12% royalty calculated on defines sales revenues payable within 10 days after the monthly sales. .
- e) Service Agreement of PSSI signed January 12, 2017 with Merrill W. Moses, President, Director and CEO, for services of \$2,500 per month beginning February 2017 and the issuance of 333 common shares of PSSI.
- f) Business Development and Consulting Agreement of PSSI signed January 15, 2017 with WSMG Advisors, Inc., for finder's fees of 10% of funding raised for PSSI and the issuance of 1,000 common shares of PSSI.

NOTE 11: LEASE

On October 16, 2018, the Company signed a three year lease for the Company's warehouse space effective on November 1, 2018 through October 31, 2021. The lease is for approximately 4,700 square feet of warehouse space with a gross monthly rental cost including common area charges of \$3,250. The lease was terminated by the landlord on August 30, 2019 with the outstanding balance due of \$11,230.

NOTE 12– SUBSEQUENT EVENTS

On May 7, 2021, the Company converted \$34,604 of debt and interest into 4,119,495 shares of common stock.

On May 18, 2021, the Company converted \$35,232 of debt and interest into 4,194,277 shares of common stock.

On June 1, 2021, the Company repaid \$30,000 of notes payable to a related party.

On June 7, 2021, the Company filed an amendment to the Articles of Incorporation increasing the authorized shares of common stock to 600,000,000 with a par value of \$0.0001 and the total number of preferred shares at 20,000,000, par value \$0,0001.

On June 24, 2021, the Company issued 114,500 shares of Series C preferred shares with a value of 98,750 for cash.

On June 30, 2021 the Company redeemed 30,000 series C preferred shares for 2,918,750 shares of common stock with a value of \$23,350.

On July 21, 2021 the Company converted 32,002 of debt and interest into 5,861,112 shares of common stock.

The Company has evaluated subsequent events to determine events occurring after April 30, 2021 through August 13, 2021 that would have a material impact on the Company's financial results or require disclosure and have determined none exist other than those noted above in this footnote.