



PatriotOne
TECHNOLOGIES
Deter | Detect | Defend

ANNUAL INFORMATION FORM

**FOR THE FINANCIAL YEAR
ENDED JULY 31, 2019**

OCTOBER 28, 2019

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EXPLANATORY NOTES

Unless otherwise stated, the information in this annual information form (the “**Annual Information Form**”) is stated as at July 31, 2019.

The information presented herein reflects the details of the financial year ended July 31, 2019 of Patriot One Technologies Inc. on a consolidated basis. Unless otherwise noted or the context otherwise indicates, “Patriot”, the “Company”, “we”, “us” and “our” refer to Patriot One Technologies Inc.

For an explanation of the capitalized terms and expressions and certain defined terms, please refer to the “Glossary of Terms” at Appendix “A” of this Annual Information Form.

Forward-Looking Statements

Certain statements in this Annual Information Form about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, “forward-looking statements”). The words “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements, although not all forward-looking statements contain these words.

Discussions containing forward-looking statements include, among other places, those under “Business of the Company” and “Risk Factors”. Forward-looking statements are based on certain assumptions and estimates made by us in light of the experience and perception of historical trends, current conditions, expected future developments including projected growth in the security and related industries, and other factors we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such assumptions and estimates will prove to be correct.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors, which are discussed in greater detail in the “Risk Factors” section of this Annual Information Form.

The purpose of the forward-looking statements is to provide the reader with a description of management’s expectations regarding the Company’s financial performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those anticipated in such forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this Annual Information Form. Furthermore, unless otherwise stated, the forward-looking statements contained in this Annual Information Form are made as of the date of this Annual Information Form, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

Presentation of Financial Information

All references in this Annual Information Form to “Fiscal 2019” are to the Company’s fiscal year August 1, 2018 to July 31, 2019.

The Company presents its financial statements in Canadian dollars. All dollar figures in in this Annual Information Form are in Canadian dollars, unless otherwise indicated. All of the financial data contained in this Annual Information Form relating to the Company have been prepared using International Financial Reporting Standards (“IFRS”).

BACKGROUND AND CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on May 11, 2010, under the Business Corporations Act (British Columbia) under the name “Clear Mountain Resources Corp.”. It completed its initial public offering on May 10, 2012 and on May 15, 2012, the Company’s Common Shares were listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the trading symbol “CY”. The Company changed its name to “Patriot One Technologies Inc.” and changed its trading symbol to “PAT” on August 24, 2016. The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

The principal regulator of the Company is the British Columbia Securities Commission. The head office of the Company is located at 750-1095 West Pender Street, Vancouver, BC, V6E 2M6 and the registered and records office of the Company is located at 400-725 Granville Street, Vancouver, BC, V7Y 1G5.

As of the date hereof, the authorized capital of the Company consists of an unlimited number of Common Shares, of which 149,468,819 Common Shares are issued and outstanding as fully paid and non-assessable.

Intercorporate Relationships

The Company has four wholly-owned subsidiaries, Patriot One Detection Ltd., Patriot One (UK) Limited, Patriot One Detection Technologies Inc. and EhEye Inc. Patriot One Detection Ltd. was incorporated under the name Patriot One Technologies Inc. on March 7, 2016 under the *Business Corporations Act* (British Columbia) and on August 15, 2016 changed its name to Patriot One Detection Ltd. The registered and records office of Patriot One Detection Ltd. is located at 400-725 Granville Street, Vancouver, B.C. V7X 1G5.

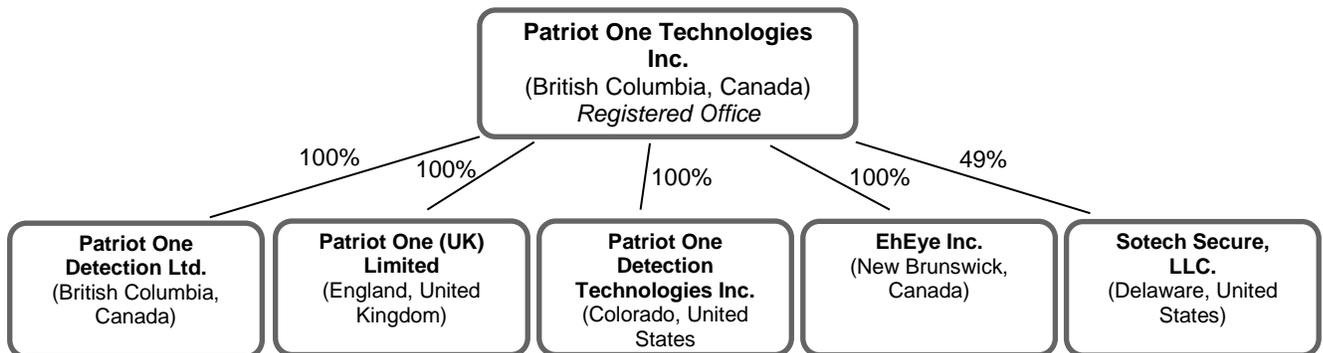
Patriot One (UK) Limited was incorporated as a private limited company on November 7, 2017 under the laws of England. The registered and records office of Patriot One (UK) Limited is located at 41 Lothbury, London EC2R 7HF, United Kingdom.

Patriot One Detection Technologies Inc. was incorporated as a private corporation on October 15, 2018 under the laws of the state of Colorado, United States of America. The registered and records office of Patriot One Detection Ltd. is located at [NTD likely should be Dorsey’s Denver office?] 1140 Connecticut Avenue NW, Suite 510, Washington, DC, 20036.

EhEye Inc. was incorporated as a private corporation on November 1, 2016 under the laws of the province of New Brunswick. The registered and records office of Patriot One Detection Ltd. is located at 412 Queen St., Unit 310, Fredericton , New Brunswick, E3B 1B6.

In addition, effective January 18, 2019, the Company acquired a 50% interest in Sotech Secure, LLC ("Sotech"), a newly incorporated limited liability corporation formed under the laws of the State of Delaware. Subsequent to the acquisition Sotech, the Company's interest was diluted to a 49% equity interest.

The organization chart below indicates the intercorporate relationships of the Company, together with the jurisdiction of incorporation or constitution of each such entity.



Our History

The Company consolidated the Common Shares on the basis of one (1) new Common Share for each 20 old Common Shares on May 18, 2016. All Common Share figures herein relating to Common Shares (or securities convertible into Common Shares) issued prior to May 18, 2016, are included on a post-consolidation basis.

On November 10, 2016 the Company closed its change of business transaction with Patriot One Detection Ltd. ("**Detection**") and acquired all of the outstanding securities of Detection in exchange for the issuance of securities of the Company. On closing of the transaction, the Company issued 22,959,925 Common Shares to the holders of common shares of Detection (each a "**Detection Share**") in consideration of the acquisition of all the Detection Shares at an exchange ratio of 1:1, in accordance with the terms of the securities exchange agreement dated September 14, 2016, as amended October 28, 2016, among the Company, Detection and the securityholders of Detection named therein. The Company, with Detection as its wholly-owned subsidiary, now pursues the business of Detection as described in the Company's filing statement dated October 27, 2016 and available under the Company's profile on SEDAR (www.sedar.com).

BUSINESS OF THE COMPANY

For the purposes of this "Business of the Company" section, Patriot One Technologies Inc., Patriot One Detection Ltd., Patriot One (UK) Limited, Patriot One Detection Technologies Inc. and EhEye Inc. shall collectively be referred to as "**Patriot**" or the "**Company**". The principal business of the Company is to commercialize an integrated, layered, multi-sensor platform of technologies, with the aim of reducing the threat of mass casualty events. The Company's mission is to be the foremost global proponent and provider of innovative threat detection and counter terrorism solutions and services for general public safety. The Company has not commenced commercial operations as of July 31, 2019.

Our Company

The Company is focused on developing the accuracy, efficacy and utility of the PATSCAN platform in real-world environments, ensuring real-world variables, deployment scenarios and other pertinent considerations are being addressed prior to full-scale commercial launch.

Principal Products in the PATSCAN Platform

PATSCAN VRS™

Through the acquisition of EhEye Inc., the Company is in the process of commercializing the proprietary automation software technology, rebranded as the PATSCAN™ Video Recognition Software (“VRS”). The Company’s VRS threat detection video surveillance solution can now help security personal to quickly detect weapons, public disturbances and suspicious behaviour. These “incidents of interest” are quickly displayed to onsite security personnel in real-time, allowing personnel to respond to situations quickly and effectively to keep guests, staff and patrons safe from active threats and threatening behaviour. Using computer vision techniques to automate the review and analysis of digital video footage, the VRS software puts deep learning architecture to work – alerting security teams to both anticipated and unanticipated anomalies that a standard system cannot identify. The Company has completed a series of technical integrations that enable the system to generate and execute certain capabilities with complementary hardware and software solutions, such as the automatic locking of doors or turnstiles when a threat is detected, or the automatic dissemination of a threat notification through a software-based threat notification apparatus. The Company is continually evolving and expanding the nature of these partner integrations, with the belief that the automatic extension of the threat notification to actioned physical or non-physical security solutions will enhance the overall utility of the system and provide the users security apparatus capabilities that enhance abilities to mitigate threats in a more timely and effective manner.

The Company has rapidly advanced the commercial readiness of the PATSCAN VRS™ and the first commercial deployments are anticipated to occur in fiscal Q1 2020. Early-adopter commercial deployments have been underway for months and current efforts include final stages of quality control activities and related planning activities along with the finalization of commercial terms of sale. Initial deployments were and are representative of a wide variety of markets, including education, retail and public sector. The Company has placed an initial multimillion-dollar purchase order for the hardware components on which the software-based solution for VRS and other sensors will run. Upon successful completion of on-site testing and performance evaluation, the Company will be offering the product for full commercial sale to all interested parties.

The Company's efforts in evaluating and sourcing hardware for the first-generation product, and optimizing functionality on lower cost, more powerful hardware, is being supported by leading edge industry partners, particularly Cisco, including the evaluation, support, and sourcing of edge and cloud-based offerings.

Further to the initial version offered for commercial sale, the Company has a robust development pipeline of complementary detection capabilities that have been identified based on specific market needs and reiterated by early-adopter customers, including fight and disturbance detection as a separate module. Further to these efforts, the Company is developing and evaluating alternative deployment methods, including cloud-based deployments and on-edge deployments with leading video camera original equipment manufacturers. Subsequent versions of the software product are expected to be rolled out iteratively, with commercially available integrated solutions from third party service and hardware providers.

PATSCAN TMS™

The Company has acquired from Quasar Federal Systems, Inc. a perpetual, worldwide, exclusive, fully paid-up, transferable and irrevocable license (with a right of sublicense) and is in the process of developing a targeted magnetic sensor system, branded as PATSCAN™ Targeted Magnetic Signature identification ("TMS"), utilizing a unique passive sensor array to detect concealed weapons on people and in bags. The Company intends the PATSCAN TMS system to be deployable covertly in schools, stadiums, concert halls, shopping centres and other entryways into private, public or secured buildings to prevent mass casualty attacks and other incidents of violence. Target-selective detection along with covert configuration deployment allows for rapid processing through security checkpoints unlike conventional metal detector portals. As with the other suite of sensor products, the PATSCAN TMS is being developed with continuously evolving algorithms that are remotely upgradable to periodically provide new targets and threat objects of interest.

Subsequent to the licensing agreement signed with Quasar Federal Systems, Inc., in June 2019, the Company has expeditiously developed a beta-system based off of the licensed technology. A first-generation system is currently being tested, with real-world, large-scale data gathering exercises supporting the algorithm development and refinement of the machine learning back end. The Company is encouraged by initial results and continues to work with the developed sensor array to refine and improve the detection capabilities utilizing real-world training & test data sets. Initial early-adopter deployments for customer feedback and deployment refinement is expected to take place in the coming months.

PATSCAN CMR™

The Company has licensed the PATSCAN Cognitive Microwave Radar technology ("CMR"), for which the base patented approach to detecting concealed on-body weapons was developed at McMaster University. The Company's license is to develop, license, manufacture and market the CMR systems worldwide. The Company intends to use such technology to create an automatic warning system for screening of on-body concealed weapons (e.g., handguns, knives, grenades, explosive vests, etc.). The CMR's early warning capability is designed to extend threat perimeter and improve response times. The CMR uses low power impulse radar system for the stand-off detection of on-body concealed weapons. The technology currently has a three (3) metre detection range, such that it can be concealed and deployed in high traffic areas, such as entryways, hallways, stairwells and other public spaces in airports, stadiums, schools and similar spaces. The CMR is designed to integrate with existing security systems (for example, Closed Circuit TV, turnstile and entry controls, biometrics). The Company aims to

make the technology compact and portable, as well as operate on microwave frequency range from 500MHz to 4.8GHz and is working to train its CMR systems to recognize various weapons and non-threat targets (i.e., unarmed civilians) before full commercial deployment. The Company believes this technology has extensive potential for use in enhancing military and or law enforcement capabilities, as well as commercial applications.

The Company is engaged in furthering the capability of the radar-based threat detection solutions through other proprietary and complementary approaches that are in varying degrees of technological readiness. The Company believes a series of distinct and integrated approaches will serve to expand the capabilities of the product range by offering differing and complementary capabilities, such as long-range, short-range, mobile, high-throughput, low-throughput, and lower cost alternatives that are aimed at fulfilling customer needs across a wide swathe of use cases. The Company further believes that each of the various technological approaches could supplement the accuracy and detection capabilities of the various other sensor technologies in the portfolio, along with future additional sensor systems that could augment the current sensor set. This is particularly so, with the sensor fusion approach adopted by the Company.

Currently the Company is engaged in acquiring real world data from test subjects in various client environments. The acquisition of data from varying locations, body types, environmental factors such as temperature, humidity, signal and physical clutter and various other factors is being undertaken to further strengthen the machine learning engine's ability to classify mass casualty threat objects, along with reducing false positives.

The Company is engaged with and in continuous discussions with a mix of academic institutions, reseller partners, and interested end-user clients with regards to initial test deployments. Initial beta-deployments, both paid and unpaid, will continue throughout the coming quarters as system hardening and work around generalization for diverse environments continues.

It is possible that modifications to regulatory approvals or other certifications may be required as development continues. Moving beyond a minimum viable product for early adopter pilot installations, the Company may need to make submissions to FCC and Industry Canada (as well as other jurisdictions in due course) for the use, for example of additional power or additional frequencies in certain specific environments to enhance performance, which will require demonstrating, among other things, that there are no harmful health effects or interference with critical systems. Active work by the Company is underway in this respect. While any such further regulatory approvals are not assured, the Company is not aware of any specific existing regulatory obstacles to the development approach being undertaken.

PATSCAN STS™

Through our investment in Sotech, the Company is developing the PATSCAN STS™ ("STS"), a technology for the stand-off detection of explosives and other threats such as chemical and biological agents as well as illicit narcotics. The innovative technology includes the ability to function covertly in non-invasive deployments and operate as a stand-alone solution or integrated with related threat detection systems.

The Company continues to support and fund the activities of Sotech in developing and advancing the PATSCAN STS™ technology. The development and commercialization efforts are advancing in line with the expected and planned development timeline.

OTHER TECHNOLOGIES

The Company is continuously evaluating complimentary and auxiliary technologies that could enhance and augment the PATSCAN™ product portfolio and provide further capabilities to the end-users in meeting the objective of reducing the threat of active events. Through discussions with interested end-users, existing and prospective reseller entities, government agencies and lawmakers, industry partners, and competitors alike, the Company has identified a series of sensor-based technologies and complementary software applications that could augment the Company's current product portfolio and ultimately, enhance the capabilities of the Company's product platform in being able to reduce the risk of mass casualty events in a wider variety of possible use cases. Evaluation is ongoing.

The Company believes, given its strong financial and cash position, that there is ample opportunity to augment the product portfolio in a strategic manner. Announcements with regards to any such acquisition, licensing or partnerships will be made in accordance with the terms of the relevant agreements.

Regulatory Approval

During the financial year ended July 31, 2018 the Company received U.S. Federal Communications Commission ("FCC") Declaration of Conformity certification for its CMR version 1. With the achievement of this milestone, the Company holds both FCC and Industry Canada certification for the CMR 1.0. FCC and Industry Canada certification allow the Company to take the CMR 1.0 hardware out into real world environments for trials, testing and optimization. This is a critical component in the development process of CMR 1.0 and allows the Company to make significant system performance enhancements as it moves toward commercialization. However, development work on our radar solution is continual and new and updated variants will require similar certifications for both testing and commercial roll-out. The Company has filed several additional applications with the FCC to ensure that the relevant versions of CMR continue to follow all rules and regulations as stipulated by the FCC, and other regulatory regimes, and meet the needs of the test, pilot-program and commercial deployment scenarios of the Company.

While the Company is focused on core development and testing of the initial CMR and subsequent variants, the Company continues to focus on sales and marketing efforts of the PATSCAN Platform to build out capacity to execute globally. The Company will need to qualify additional security systems re-sellers and integrators, as well as commit significant resources to developing the technical relationship with Cisco, including design of platform architecture for strategic deployment at scale. The Company will also need to increase its presence in international markets through trade shows and other targeted events and in certain cases, direct presence. The Company intends to invest in trade show infrastructure, multi-language video and other promotional material, as well as engage with multiple overseas regulatory authorities.

The Company has a multi-year innovation pipeline. As product enhancements and new product types emerge, further regulatory certifications or modifications will be required. Furthermore, the Company intends to pursue a global market. Each jurisdiction has its own regulations and processes for approval. This can be time consuming and expensive but is a necessary requirement for penetrating the global market. The Company is currently engaged with several organizations and individuals with security and defense industry experience for the purposes of expanding global commercialization partnerships.

The CMR 1.0 and its successor variants may need to comply with additional regulatory requirements prescribed for detection systems and Ultra-Wide Band Emission devices. Like most other electronic devices, detection systems must meet relevant regulatory, environmental

and electrical safety requirements. Furthermore, any detection equipment that is deployed for use at airports must comply with guidelines prescribed by the Transportation Security Administration (“TSA”), Federal Aviation Administration (“FAA”), and related international standards, regulations and test certifications. Once hardware configurations are finalized, in addition to regulatory approval for emissions (ie., FCC and Industry Canada), there are market specific requirements surrounding certain components that need to be met (ie., enclosures, connectors, cabling for safe operation in various environmental conditions such as IP ratings (water and dust proofing)). There will be a continuous program of submissions for such requirements and the Company will need to hire specialist in-house resources to complete them. The Company is currently building out such capabilities internally while working with third party consultants to advise on compliance of such requirements.

Revenue Streams

The Company plans to distribute products and services through a channel model, partnering with leading providers of security products and services. Management is in conversations (and a number of active partnerships) with industry leading full-service commercial security systems companies that have a global presence providing integrated security solutions, such as Cisco Systems, to resell and promote the Company’s products as part of security installations globally.

The Company has set initial early-adopter pricing for the PATSCAN Platform and begun communicating to the sales channel partners under contract. Initial commitments have been received from customers of the initial reseller partners and following successful initial commercial deployments the Company will be focused on expanding the contracted reseller partners with an initial focus on the North American market.

Market

The safety and security market is a very competitive market. Growing threats from man-made tragedies underpin higher rates of growth in this market worldwide. Recently, security/software-as-a-service, integration of command and control systems with communication systems and advanced imaging technology are gaining higher market shares. PATSCAN products can be positioned in public and private spaces used by a large number of persons, who can enjoy unhindered access. Some of the spaces identified as compromised entrance points are:

- (1) airports, subways and other general public transportation systems;
- (2) public schools and school buses;
- (3) embassies, consulates and trade offices;
- (4) athletic and entertainment-focused stadiums/arenas; and
- (5) places of worship.

Partnerships

The Company has benefited from a prominent public profile and effective vision to solidify partnerships of various natures with certain industry leaders, including Cisco Systems, Raytheon Canada Ltd., Ridge Global LLC, the University of North Dakota (“UND”), the UND police force, and Johnson Controls Inc. (Johnson Controls Inc. relationship announced August 15, 2019). In the Company’s view, these partnerships will continue to serve the Company’s product development, internal technical capabilities, working capital profile and the successful deployment of the PATSCAN platform. The willingness of industry leaders to form partnerships of various natures with the Company is a further validation of the need for these solutions to address real-world mass casualty threats and in the Company’s view offers a prominent source of technical, financial and industry validation that will significantly benefit the Company’s advancement to full-scale commercial operations.

Subsequent acquisition of Xtract Technologies Inc. (“Xtract”)

Subsequent to July 31, 2019, the Company acquired all issued and outstanding shares of Xtract, a leading firm in the development of novel neural network architecture and data fusion techniques, which in the Company’s belief will significantly advance the development timeline of the sensor technologies being developed, while providing the Company with Xtract’s existing business interests and profitable existing contracts and backlog. Please refer to the Company’s press release of September 9, 2019 for more information about the Xtract acquisition.

Intellectual Property

In addition to its unregistered intellectual property, Patriot currently has a license agreement with McMaster University that covers the worldwide rights to the following patents:

- CA 2,895,795
- US 14/751,796
- EP 15174116
- UA a201506349
- HK 16106764.3

The Company acquired rights to a pending patent of Quasar Federal Systems Inc. pursuant to an intellectual property license agreement dated June 21, 2019. The Company acquired ownership of pending patents of Xtract pursuant to its acquisition of Xtract described above.

Employees

As at July 31, 2019, the Patriot One Technologies Inc. had 0 employees.

As at July 31, 2019, Patriot One Detection Ltd. had 29 employees.

As at July 31, 2019, Patriot One (UK) Limited had 4 employees.

As at July 31, 2019, Patriot One Detection Technologies Inc. had 2 employees.

As at July 31, 2019, EhEye Inc. had 16 employees.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid dividends to its shareholders to date and does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Company’s current policy is to retain cash flows to finance the development and enhancement of its products and to otherwise invest in the Company’s business.

DESCRIPTION OF CAPITAL STRUCTURE

As of the date hereof, the authorized capital of the Company consists of an unlimited number of Common Shares, of which 149,468,819 Common Shares are issued and outstanding as fully paid and non-assessable. In addition there are 35,928,614 warrants outstanding as outlined below.

Number of Warrants	Exercise Price	Expiry Date
672,175	\$ 1.20	31-Oct-19
885,500	\$ 2.00	22-Feb-20
3,278,200	\$ 1.25	13-Jul-20
133,689	\$ 1.00	13-Jul-20
4,796,150	\$ 1.70	31-Oct-20
150,000	\$ 1.00	18-Nov-20
1,288,000	\$ 2.50	21-Nov-20
18,400,000	\$ 3.25	21-Nov-20
6,324,900	\$ 2.40	22-Feb-21
35,928,614		

During the year ended July 31, 2019, the Company granted stock options as follows:

Date of Grant	Number of Options	Exercise Price	Expiry Date
27-Aug-18	50,000	\$ 1.62	27-Aug-23
15-Oct-18	675,000	\$ 2.48	15-Oct-23
11-Dec-18	405,000	\$ 2.01	11-Dec-23
08-Jan-19	144,444	\$ 0.70	15-Dec-21
08-Jan-19	33,333	\$ 0.70	20-Jun-22
08-Jan-19	33,332	\$ 0.70	09-Aug-22
08-Jan-19	66,666	\$ 0.70	14-Sep-22
29-May-19	250,000	\$ 2.00	29-May-22
18-Jun-19	75,000	\$ 1.80	18-Jun-24
03-Jul-19	1,200,000	\$ 1.81	03-Jul-24
25-Jul-19	60,000	\$ 1.83	25-Jul-24
	2,992,775		

During the year ended July 31, 2019, the Company granted warrants to brokers that allows the holders to acquire 1,288,000 at an exercise price of \$2.50 per share

Common Shares

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board of Directors of the Company, to receive notice of and attend all meetings of shareholders of the Company, to one vote per Common Share at such meetings and, upon liquidation, to ratably receive such assets of the Issuer as are distributable to the holders of the Common Shares.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's Common Shares are listed and posted for trading on the TSX under the symbol "PAT". On October 28, 2019, the closing price of the Common Shares on the TSX was \$1.88. The following table sets out the high and low closing share prices and the aggregate volume of trading of the Company's Common Shares on the TSXV and TSX for the months indicated. The Common Shares were first listed for trading on the TSXV on May 15, 2012 and on the TSX on April 9, 2019, at which time they were delisted from the TSXV.

Date	High(\$)	Low(\$)	Volume (no. of Common Shares)
August, 2018	1.92	1.56	16,876,000
September, 2018	2.00	1.62	9,447,000
October, 2018	3.01	1.93	39,659,000
November, 2018	2.77	1.83	26,051,000
December, 2018	2.22	1.54	17,415,000
January, 2019	2.54	1.64	15,191,000
February, 2019	2.54	2.10	9,595,000
March, 2019	2.86	2.24	18,751,000
April, 2019	2.56	1.87	14,466,000
May, 2019	2.30	1.86	9,086,000
June, 2019	2.04	1.71	8,789,000
July, 2019	2.09	1.75	7,721,000

The Company has a class of Warrants listed and posted for trading on the TSX under the symbol "PAT.WT". On October 28, 2019, the closing price of the PAT.WT Warrants on the TSX was \$0.68. The following table sets out the high and low closing prices and the aggregate volume of trading of the PAT.WT Warrants on the TSXV and TSX for the months indicated. The PAT.WT Warrants were first listed for trading on the TSXV on October 4, 2017 and on the TSX on April 9, 2019, at which time they were delisted from the TSXV.

Date	High (\$)	Low (\$)	Volume (no. of Warrants)
August, 2018	0.97	0.72	438,000
September, 2018	1.10	0.76	165,000
October, 2018	1.74	0.94	666,000
November, 2018	1.89	1.25	186,000
December, 2018	1.45	0.90	129,000
January, 2019	1.40	0.94	151,000
February, 2019	1.41	1.05	132,000
March, 2019	1.85	1.35	187,000
April, 2019	1.50	1.00	119,000
May, 2019	1.21	0.80	68,000
June, 2019	0.96	0.80	79,000
July, 2019	0.90	0.62	93,000

The Company has a class of Warrants listed and posted for trading on the TSX under the symbol "PAT.WT.A". On October 28, 2019, the closing price of the PAT.WT.A Warrants on the TSX was \$0.52. The following table sets out the high and low closing prices and the aggregate volume of trading of the PAT.WT.A Warrants on the TSXV and TSX for the months indicated. The PAT.WT.A Warrants were first listed for trading on the TSXV on November 3, 2017 and on the TSX on April 9, 2019, at which time they were delisted from the TSXV.

Date	High (\$)	Low (\$)	Volume (no. of Warrants)
August, 2018	0.69	0.53	236,000
September, 2018	0.78	0.54	293,000
October , 2018	1.25	0.79	695,000
November , 2018	1.29	0.75	519,000
December, 2018	1.01	0.65	78,000
January, 2019	0.97	0.72	126,000
February, 2019	1.05	0.79	178,000
March, 2019	1.30	0.85	596,000
April, 2019	1.25	0.79	89,000
May, 2019	0.89	0.56	190,000
June, 2019	0.69	0.475	136,000
July, 2019	0.68	0.43	110,000

The Company has a class of Warrants listed and posted for trading on the TSX under the symbol "PAT.WT.B". On October 28, 2019, the closing price of the PAT.WT.B Warrants on the TSX was \$0.63. The following table sets out the high and low closing prices and the aggregate volume of trading of the PAT.WT.B Warrants on the TSXV and TSX for the months indicated. The PAT.WT.B Warrants were first listed for trading on the TSXV on March 5, 2018 and on the TSX on April 9, 2019, at which time they were delisted from the TSXV.

Date	High (\$)	Low (\$)	Volume (no. of Warrants)
August, 2018	0.60	0.35	100,000
September, 2018	0.64	0.35	50,000
October, 2018	0.95	0.465	285,000
November, 2018	1.23	0.725	248,000
December, 2018	0.85	0.58	33,000
January, 2019	0.80	0.65	333,000
February, 2019	0.88	0.62	477,000
March , 2019	1.20	0.73	334,000
April, 2019	1.05	0.67	189,000
May, 2019	0.78	0.61	94,000
June, 2019	0.64	0.52	92,000
July, 2019	0.63	0.405	237,000

The Company has a class of Warrants listed and posted for trading on the TSX under the symbol "PAT.WT.C". On October 28, 2019, the closing price of the PAT.WT.C Warrants on the TSX was \$0.25. The following table sets out the high and low closing prices and the aggregate volume of trading of the PAT.WT.C Warrants on the TSXV and TSX for the months indicated. The PAT.WT.C Warrants were first listed for trading on the TSXV on November 26, 2018 and on the TSX on April 9, 2019, at which time they were delisted from the TSXV.

Date	High (\$)	Low (\$)	Volume (no. of Warrants)
November, 2018	0.35	0.28	383,000
December, 2018	0.40	0.25	596,000
January, 2019	0.465	0.275	891,000
February, 2019	0.57	0.43	1,438,000
March, 2019	0.66	0.47	1,552,000
April, 2019	0.60	0.38	985,000
May, 2019	0.46	0.325	186,000
June, 2019	0.38	0.315	114,000
July, 2019	0.155	0.14	6,005,000

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The table below lists the number of securities held in escrow to the Company's knowledge, or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class as at July 31, 2019. These securities will be released from escrow on November 11, 2019.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	1,675,651	1.2%
Stock Options	165,000	2.2%

DIRECTORS AND OFFICERS

Directors

The following table sets out, as at the date hereof, for each of our directors, the person's name, province or state, and country of residence, position(s) with us, the date on which he became a director, his principal occupation and previously held positions for the last five years. Our directors are expected to hold office until our next annual meeting of shareholders. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

Name and province or state and country of residence	Position with the Company	Director since	Principal occupation for past five years ⁽¹⁾	Number and % of Common Shares held in the Company ⁽¹⁾
Martin Cronin ⁽⁶⁾ British Columbia, Canada	CEO, President and Director	November 9, 2016	See detailed description below.	484,650 (0.35%)
Scott Shepherd ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia , Canada	Independent Director	November 9, 2016	See detailed description below.	360,000 (0.26%)
John Gillies ⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada	Independent Director	May 30, 2017	See detailed description below.	150,000 (0.11%)
Peter van der Gracht ⁽⁴⁾⁽⁵⁾⁽⁶⁾ British Columbia, Canada	Independent Director	July 10, 2018	See detailed description below.	Nil
Victoria Calvert ⁽⁴⁾⁽⁵⁾ Alberta, Canada	Independent Director	May 29, 2019	See detailed description below.	Nil

(1) Information as to principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.

(2) Chair of the Board of Directors.

(3) Member of the Audit Committee.

(4) Member of the Compensation and Nomination Committee.

(5) Member of the Governance Committee

(6) Member of the Technology Review Committee

Executive Officers

The following table sets out, as at the date hereof, for each of our executive officers not noted above, the person's name, province or state, and country of residence and position(s) with us.

Name and province or state and country of residence	Position with the Company	Executive since	Principal occupation for past five years	Number and % of Common Shares held
Michael Barnsley British Columbia, Canada	Chief Financial Officer and Corporate Secretary	February 3, 2017	See detailed description below.	Nil

Biographies

The following are brief profiles of the current directors and executive officers of the Company, including a description of each individual's principal occupation within the past five years.

Directors

Martin Cronin, Chief Executive Officer, President and Director

Mr. Cronin is an expert in the areas of counter-terrorism, conflict resolution, and government/corporate interface. He has extensive experience in high intensity conflict environments and has served as CEO of a private company specializing in communications and survivability technologies. Before moving to the private sector, Mr. Cronin was British Consul-General to Western Canada, based in Vancouver. His career includes over twenty years of experience in the field of international diplomacy with the British Government, including postings in Yemen, Jordan, Sweden, Pakistan and Iraq. Mr. Cronin is also Honorary Colonel of the British Columbia Dragoons (a Canadian Forces Primary Reserve Regiment), Regional Director of the Canadian Forces Liaison Council, a member of the Advisory Board of the Central Okanagan Economic Development Commission, and Member of the Advisory Board of International Yacht Training Worldwide. He is a frequent guest speaker on the Middle East and security issues.

Scott Shepherd, Chair of Board

Mr. Shepherd was born in Ontario, Canada and educated at the University of Toronto and Dalhousie University. Mr. Shepherd has worked with the Department of Foreign Affairs and International Trade, Export Development Corporation, Imperial Chemical Industries PLC and Trafalgar House PLC, as well as a stint as Chief Financial Officer with the Nexus group of Companies in Burnaby, B.C. Canada. As past President and founding director of Northstar Trade Finance, Inc., Mr. Shepherd has been active with the promotion and support of small and medium sized exporters throughout the world. Mr. Shepherd serves on a number of Canadian boards. He is the Chair, National Canadian Armed Forces Liaison Council; former Governor, Dalhousie University; Chairman, MDS Aero Support Corporation; former Honorary Consul of Uruguay for British Columbia and Alberta; National Arts Centre Foundation Director; Director and Chair of Audit Committee, Ridley Terminals, a Federal Crown Corporation appointed May 2008; past Honorary President for British Columbia and Yukon St. John Ambulance Brigade; past National Director and Member of Audit Committee, Canadian Manufacturers and Exporters; past Governor, B.C. Institute for Studies in International Trade; past Vice-Chair and Trustee, Richmond Hospital Foundation; past Director and Chair of Audit Committee MDS Aero Support Corp.; and past Director and Chair of Audit Committee Pender Financial Group.

Peter van der Gracht, Director

Mr. van der Gracht is a successful start-up veteran, with over thirty years of experience leading companies through multiple financings, operational build-outs, acquisitions, mergers and buy-outs. Peter has in the past or is currently, chairman, director, consultant or investor of over twenty for-profit organizations. Mr. van der Gracht supports the following not-for-profit organizations: Entrepreneurship@UBC, a University of British Columbia seed-stage investment fund and program; and Alacrity Foundation, a not-for-profit start-up foundation. In the past, Mr. van der Gracht supported two federal government initiatives, whereby he was a member of the Science, Technology and Innovation Council and a Global Industry Advisor for Global Affairs Canada. Mr. van der Gracht holds a Masters Degree in Electrical Engineering from the University of British Columbia and is the recipient of multiple awards for entrepreneurship.

John Gillies, Director

Mr. Gillies brings over 33 years of federal government experience, principally within the national and international security and intelligence environment. Mr. Gillies served as an Assistant Director with the Canadian Security Intelligence Service (CSIS) and as a member of the CSIS Senior Executive Committee. Past duties within CSIS include extensive experience in both counter-intelligence and counter-terrorism sectors in a variety of roles including as Director General, Counter Terrorism Division and Director General, BC Region during the 2010 Winter Olympic Games. During his tenure as the Chief Human Resources Officer (CHRO) for CSIS, Mr. Gillies also served as a member of the Board of Governors for Canada's 10 Most Admired Corporate Cultures; sat as a Board member for the National Capital CHRO Forum; and served as a member of the Conference Board of Canada's Strategic Human Resource Management Council. Prior to joining the Canadian Security Intelligence Service, Mr. Gillies served as a police officer in the Royal Canadian Mounted Police (RCMP) which included service within the Drug Enforcement Section. He is a graduate of the University of Victoria and currently resides in the Lower Mainland of British Columbia.

Victoria Calvert, Director

Victoria Calvert has served on public, crown, and not-for-profit boards for over two decades. Prior to becoming a professor, Ms. Calvert was engaged in corporate banking and corporate planning in the energy industry. As a full professor of Entrepreneurship and International Business at Mount Royal University (MRU), Ms. Calvert was active in research pertaining to entrepreneurship and community engagement, and was instrumental in developing the Community Service-Learning program for MRU creating university-community partnerships across Canada. Ms. Calvert has maintained a consulting practice since 1982 focusing on strategic growth through competitive positioning and alignment of organizational capacities to emergent opportunities. Ms. Calvert has been a member of the Board of Directors of AltaGas Ltd. since 2015.

Executive Officers

Martin Cronin, Chief Executive Officer and President

See above.

Michael Barnsley, Chief Financial Officer and Corporate Secretary

Mr. Barnsley is a Chartered Professional Accountant (CPA), whose career includes over thirty years' experience as a CPA providing financial management services to public companies. Mr. Barnsley has served as Chief Financial Officer and Corporate Secretary for both TSX and TSXV listed companies, principally within the technology sector. Mr. Barnsley commenced his career working as a Senior Manager with Deloitte & Touche and holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Chartered Professional Accountants of British Columbia.

Cease Trade Orders and Bankruptcies

None of our directors or executive officers is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including us) that, while that person was acting in that capacity, or after that person ceased to act in such capacity but resulting from an event that occurred while that person was acting in such capacity, was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation in each case for a period of more than 30 consecutive days.

None of our directors, or executive officers, or to our knowledge, our shareholders holding a sufficient number of securities to affect materially the control of our Company (i) is as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company (including us) that, while that person was acting in that capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

Penalties or Sanctions

None of our directors or executive officers, or to our knowledge, our shareholders holding a sufficient number of securities to affect materially the control of our Company, has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest between us and our directors, executive officers or other members of management as a result of their outside business interests as at the date of this Annual Information Form. However, as certain of our directors and officers also serve as directors and officers of other companies, it is possible that a conflict of interest may arise between their duties to us and their duties to such other companies.

EXECUTIVE COMPENSATION

Information regarding directors' and officers' remuneration is contained in the Company's Information Circular dated September 27, 2019 for its annual general meeting of securityholders to be held on November 5, 2019, which will involve the election of directors.

PROMOTERS

No person will be, or has been within the two (2) most recently completed financial years or during the current financial year, a promoter of Patriot.

APPOINTMENT OF AUDITOR

The external auditors of Patriot are Davidson & Company LLP, located at 609 Granville St. #1200, Vancouver, B.C. V7Y 1G6.

RISK FACTORS

You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form, and all other information contained in this Annual Information Form. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of our securities could be materially and adversely affected.

For the purposes of this “Risk Factors” section, Patriot One Technologies Inc., Patriot One Detection Ltd., Patriot One (UK) Limited, Patriot One Detection Technologies Inc. and EhEye Inc. shall collectively be referred to as “**Patriot**” or the “**Company**”.

Risks Related to Our Business

Limited Operating History

The Company has no history of earnings. The Company has no present prospect of generating significant revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders’ investment and the likelihood of success must be considered in light of the early stage of operations.

Negative Cash Flow for the Foreseeable Future

The Company has a no history of earnings or cash flow from operations. The Company may not generate material revenue or achieve self-sustaining operations in the next year, if at all. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition. The success of the Company further depends on the continued ability to attract, retain, and motivate highly qualified management, and scientific personnel and to develop and maintain important relationships with leading academic institutions, companies, and thought leaders.

Certain conditions of commercial deployment

The Company's ability to generate future revenue or achieve or sustain profitable operations is in part largely dependent on its ability to attract experienced management with the requisite know-how to develop new devices and to partner with larger, more established companies in the industry to successfully commercialize products. Successfully developing the prototype and subsequent beta versions of the various sensors and other products into a commercially viable platform of threat detection solutions may take several years and significant financial resources, and the Company may not achieve this objective.

In order to commercialize any products, the Company will need to conduct trials, which may not succeed, and to obtain certain regulatory approvals, which it may fail to do. Although presently uncertain, the physical sensors, including the CMR & TMS, may need to comply with regulatory compliance requirements prescribed for users of walk-through metal detectors ("WTMDs"). Like several other electronic devices, WTMDs must meet certain environmental standards and electrical safety requirements. Furthermore, any detection equipment that is deployed for use at airports must comply with guidelines prescribed by the Transportation Security Administration ("TSA"), the Federal Aviation Administration ("FAA") and related international standards, regulations and test certifications.

The Company does not know and is unable to predict the nature and frequency of any trials the TSA and FAA will require the Company to conduct before granting any necessary approvals. The development programs may not lead to a commercial product, either because of the failure to demonstrate that product candidates are safe and effective in trials or the failure to obtain necessary approvals from the TSA, FAA and/or similar foreign regulatory agencies or due to inadequate financial or other resources to advance product candidates through the trial process for successful commercialization.

A decline in the growth of demand for the Company's products would have a material adverse effect on our operating results and growth prospects

The sales potential of the Company's products and solutions is still at an early pre-commercial stage. The ongoing and future demands for the Company's products and solutions, in existing and target industries, is yet to be fully established and is uncertain. There is a risk that the Company may not be able to obtain and maintain market share or that there is insufficient demand for the Company's products for revenue to be sustainable. The Company's future performance will be dependent on its ability to design, develop, manufacture, assemble, test, market and support its current products, as well as to continue developing new products and enhancing its current products, in a timely and cost effect manner on behalf of its customers.

The Company's existing contractual relationships give it confidence in its ability to achieve sales and maintain a customer base within its target industries, notwithstanding the risks outlined above. The Company has, and will continue to, invest in new product development to expand its business within existing markets. The Company plans to utilize available funds to build on existing, and develop new, relationships in the industry. The Company also plans to prioritize its research and development efforts on technologies that offer attractive long-term growth opportunities by improving its product performance and expanding its products portfolio.

Patriot has a history of losses and the Company may be unable to achieve or sustain profitability

At July 31, 2019, the Company has incurred losses since its inception and has an accumulated deficit of \$37,758,807. Patriot does not know if business operations will become profitable, and if so, when, or if the Company will continue to incur net losses beyond Fiscal 2019. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The Company expects to incur significant expenses as it develops and expands its business, which will make it harder for the Company to achieve and maintain future profitability. The Company may incur significant losses in the future for a number of reasons, including the other risks described in this Annual Information Form, and the Company may encounter unforeseen expenses, difficulties, complications, delays and other unknown events. Accordingly, the Company may not be able to achieve or maintain profitability.

Because many of Patriot's expenses will be fixed, the Company may not be able to limit its losses if the Company fails to achieve forecasted revenue

To commence commercialization of its technologies, the Company may be required to make significant investments in operations. If the Company's product trials are unsuccessful or the Company's business does not develop as quickly as anticipated, or if there is a lack of demand for the Company's products, the Company may be unable to offset these costs, and the Company's operating results may be adversely affected as a result of high operating expenses, reduced margins, underutilization of capacity and asset impairment charges. Moreover, the Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry.

Concealed weapons detection through novel technological approaches is a relatively new market and the rate of adoption and the Company's associated growth in anticipated markets may not be representative of rates of adoption or future growth in other markets

The Company is expected to derive a significant portion of its revenues in subsequent years from commercial sale and implementation of its various current and future developed and or acquired products and technology in the law enforcement/threat detection sector, a relatively new and rapidly evolving market. If this market fails to grow or grows more slowly than the Company currently anticipates, the Company's business would be negatively affected. To date, the Company has targeted markets the Company believes are the most likely to adopt its technology. However, there is no assurance the Company will be successful in these markets or will be able to expand beyond these markets.

Reliance on Third Parties

If the third parties on whom the Company relies do not properly and successfully carry out their obligations to the Company, it may not be able to develop, obtain regulatory approval for, or commercialize its products.

Growth may place significant demands on the Company's management and the Company's resources

The Company expects to experience substantial growth in its business. This growth has placed and may continue to place significant demands on the Company's management and the Company's operational and financial resources. The Company may not be able to provide the scale of operation necessary to meet the demands associated with its growth. As the Company grows, the Company will need to implement new systems and software to help run the Company's operations. As the Company's operations grow in size, scope and complexity, the Company will need to continue to improve and upgrade the Company's systems and infrastructure to offer an increasing number of customers enhanced services, solutions and features. The Company may choose to commit significant financial, operational and technical resources in advance of an expected increase in the volume of business, with no assurance that the volume of business will increase. Continued growth could also strain the Company's ability to maintain reliable service levels for existing and new customers, which could adversely affect the Company's reputation and business.

Future acquisitions could disrupt the Company's business and harm the Company's financial condition and operating results

The Company's success will depend, in part, on the Company's ability to expand the Company's markets and grow the Company's business in response to changing technologies, customer needs and competitive pressures. The Company may seek to grow the Company's business by acquiring complementary businesses, solutions or technologies. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and the Company may not be able to successfully complete identified acquisitions. In addition, the Company may not be able to successfully assimilate and integrate the business, technologies, solutions, personnel or operations of any company the Company acquires. Acquisitions may also involve the entry into geographic or business markets in which the Company has little or no prior experience. Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized or the Company may be exposed to unknown liabilities. For one or more of those transactions, the Company may, among other things:

- issue additional equity securities that would dilute the holders of Common Shares;

- use cash that the Company may need in the future to operate its business;
- incur debt on terms unfavorable to the Company or that the Company is unable to repay;
- incur large charges or expenses or assume substantial liabilities;
- amortize expenses related to goodwill and other intangible assets;
- encounter difficulties retaining key employees of the acquired companies or integrating diverse software codes or business cultures; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

Any of these risks could harm the Company's business and operating results.

The impact of worldwide economic conditions, including the resulting effect on target market spending, may adversely affect the Company's business, operating results and financial condition

The Company's anticipated performance will be subject to worldwide economic conditions, such as unemployment levels, interest rates or inflation rates, each of which influence, among other things, consumer trends and the levels of government and private sector security spending.

The Company expects a number of factors to cause the Company's operating results to fluctuate on a quarterly basis, which may make it difficult to predict the Company's future performance.

The Company's revenues, if any, and operating results could vary significantly from quarter to quarter because of a variety of factors, many of which are outside of the Company's control. As a result, comparing the Company's operating results on a period-to-period basis may not be meaningful. In addition to other risk factors discussed in this section, factors that may contribute to the variability of the Company's quarterly results include:

- the impact of worldwide economic conditions and their impact on levels of security and defense spending;
- certain fixed costs inherent in the Company's business, which limit the Company's ability to adjust for period-to-period changes in demand;
- system interruptions that impair access to the Company's customers, key vendors or communication with the Company's technology and any related impact on the Company's reputation;
- the Company's ability to forecast revenues accurately and appropriately plan the Company's expenses; and
- the impact of fluctuations in currency exchange rates, to the extent that the Company sources material or labour from outside of Canada, sells its products outside of Canada or operates outside of Canada.

In addition, the Company's operating results may not meet the expectations of investors or public market analysts who follow the Company.

Managing the Company's growth will require significant expenditures and allocation of valuable management resources, and the failure to do so appropriately may harm the Company's business, operating results and financial condition.

If the security of customers' confidential information stored in the Company's systems is breached or otherwise subjected to unauthorized access, the Company's reputation or brand may be harmed and the Company may be exposed to liability and a loss of customers

It is expected that the Company's system will store, process and transmit some confidential information of its customers. Presently, the Company plans to outsource the storing, processing and transmission of certain information to a third party service provider. It is expected that the Company will rely on encryption, authentication and other technologies licensed from third parties, as well as administrative and physical safeguards, to secure such confidential information. Any compromise of the Company's security or the security of its third party service providers could damage the Company's reputation and brand and expose the Company to risk of loss, costly litigation and liability that would substantially harm the Company's business and operating results. The Company and the Company's third party data center facilities may not adequately assess the internal and external risks posed to the security of the Company's systems and information and may not implement adequate preventative safeguards or take adequate reactionary measures in the event of a security incident. In addition, many jurisdictions have enacted laws requiring companies to notify individuals and often state authorities of data security breaches involving their personal data. These mandatory disclosures regarding a security breach often lead to widespread negative publicity, which may cause the Company's prospective customers to lose confidence in the effectiveness of the Company's data security measures. Any security breach, whether successful or not, would harm the Company's reputation and brand, and may result in the loss of customers and or subject the Company to liabilities.

Failure to comply with various applicable laws, including the collection of sales or related taxes, could harm the Company's results of operations and financial condition

The Company's business will be subject to various local, provincial and federal tax payment and collection requirements. Amounts that the Company is expected to be required to pay or collect may change as the Company's business develops and expands. As a result, the Company will need to continually ensure proper taxes are paid or collected and remitted to the appropriate tax agencies. If the Company does not collect the appropriate taxes from its customers, the Company may need to pay more than what it has collected. In addition, the Company may be audited by various agencies to ensure compliance with tax collection requirements. Such audits could result in additional sales or other tax collection obligations on the Company which the Company may not be able to recover from its customers. Such obligations could have a material adverse impact on the Company's future operating results.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information

The Company expects to partially rely on patent protection to protect the its proprietary technologies; however, the Company's competitive advantage will rely to a certain extent on owned and developed trade secrets. Patriot has devoted substantial resources to the development of its proprietary technology and related processes. In order to protect the Company's proprietary technology and processes, the Company intends to rely in significant part on confidentiality and invention assignment agreements with the Company's employees, licensees, independent contractors and other advisors. These agreements may not effectively prevent disclosure of confidential information, may not deter independent third party development of similar technologies and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information or misappropriation of the Company's technology. In addition, others may independently discover trade secrets and proprietary information, and in such cases, the Company would not be able to assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and

determine the scope of the Company's proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect the Company's competitive business position.

Failure to adequately protect the Company's intellectual property could substantially harm the Company's business and operating results

As the Company's business depends substantially on the Company's intellectual property, the Company could be adversely affected if it does not adequately protect its intellectual property rights. The Company regards its marks, rights, and trade secrets and other intellectual property rights as critical to the success of the Company's business. To protect its investments and the Company's rights in these various intellectual properties, it may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. These afford only limited protection. Despite the Company's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Company's technology's features, software and functionality or obtain and use information that the Company considers proprietary. There can be no assurance that the steps taken by the Company to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Company's copyrights, trademarks and similar proprietary rights, or that the Company will be able to detect unauthorized use and take appropriate steps to enforce rights. Moreover, policing the Company's proprietary rights is difficult and may not always be effective. In particular, the Company may need to enforce the Company's rights under the laws of countries that do not protect proprietary rights to as great an extent as do the laws of the Canada. In addition, although the Company believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Company. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

Litigation or proceedings before governmental authorities and administrative bodies in the United States, Canada and abroad may be necessary in the future to enforce the Company's intellectual property rights, to protect the Company's patent rights, trade secrets, trademarks and domain names and to determine the validity and scope of the proprietary rights of others. The Company's efforts to enforce or protect the Company's proprietary rights may be ineffective and could result in substantial costs and diversion of resources and could substantially harm the Company's operating results.

The Company will rely on trade secrets to protect technology where it does not believe patent protection is appropriate or obtainable. Trade secrets are difficult to protect. While commercially reasonable efforts to protect trade secrets will be used, strategic partners, employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose information to competitors. If the Company is not able to defend patents or trade secrets, then it will not be able to exclude competitors from developing or marketing competing products, and the Company may not generate enough revenue from product sales to justify the development cost of products or achieve or maintain profitability.

The Company's exposure to risks associated with the use of intellectual property may increase as a result of acquisitions, as the Company has a lower level of visibility into the development process with respect to acquired technology or the care taken to safeguard against infringement risks.

Third parties may make infringement and similar or related claims after the Company has acquired technology that had not been asserted prior to the Company's acquisition. Patriot is not currently aware of any litigation or other proceedings or claims by third parties that its

technologies or methods infringe upon their intellectual property. While it is the practice of Patriot to undertake pre-filing searches and analyses of developing technologies, the Company cannot guarantee that Patriot has identified every patent or patent application that may be relevant to the research, development, or commercialization of its products. Moreover, the Company cannot assure that third parties will not assert valid, erroneous or frivolous patent infringement claims.

The Company's failure to raise additional capital necessary to expand the Company's operations and invest in the Company's business could reduce the Company's ability to compete successfully

The Company may require additional capital in the future to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. Due to the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. To become and remain competitive, the Company requires research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company. The Company may not be able to obtain additional debt or equity financing on favorable terms, if at all. If the Company raises additional equity financing, the shareholders of the Company may experience significant dilution of their ownership interests, and the per-share value of the Common Shares could decline. Moreover, any new equity securities the Company issues could have rights, preferences and privileges senior to those of holders of Common Shares. If the Company engages in debt financing, the Company may be required to accept terms that restrict its ability to incur additional indebtedness and force it to maintain specified liquidity or other ratios. If the Company needs additional capital and cannot raise or otherwise obtain it on acceptable terms, it may not be able to, among other things:

- develop or introduce service enhancements to customers;
- continue to expand the Company's development, sales and marketing and general and administrative functions;
- acquire complementary technologies or businesses;
- expand the Company's operations;
- hire, train and retain employees; or
- respond to competitive pressures or unanticipated working capital requirements.

The Company will depend on key and highly skilled personnel to operate its business and if the Company is unable to retain Patriot's current personnel or hire additional personnel, the Company's ability to develop and successfully market its business could be harmed

The Company believes its future success will depend in large part upon the Company's ability to attract and retain highly skilled managerial, technical, finance and sales and marketing personnel. The Company plans to expand its work force domestically and, if applicable, internationally as the Company grows its business. The Company expects to compete in the market for personnel against numerous companies, including larger, more established competitors which have significantly greater financial resources than the Company and which may be in a better financial position to offer higher compensation packages to attract and retain human capital. The Company cannot be certain that it will be successful in attracting and retaining the skilled personnel necessary to operate its business effectively in the future.

Moreover, the Company believes that its future success is highly dependent on the contributions of Patriot's executive team. Patriot's key employees possess a specialized knowledge of the Company's business and industry and would be extremely difficult to replace. In addition, the loss of any key employee or the inability to attract or retain qualified personnel could harm the market's perception of the Company and the Company's brand. Qualified individuals are in high demand, and the Company may incur significant costs to attract them. The Company may be unable to attract and retain suitably qualified individuals who are capable of meeting its growing operational and managerial requirements, or may be required to pay increased compensation in order to do so. While employment agreements will be used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. If the Company is unable to attract and retain the qualified personnel it will need to succeed, its business will suffer. Any loss of the services of such individuals or relationships could have a material adverse effect on the Company's business, operating results or financial condition.

The Company's business may require permits and licenses

In addition to those discussed above, the operations of the Company and its products require licenses, certifications and permits from various governmental and regulatory authorities. There can be no assurance that such licenses and permits will be granted, maintained or renewed. Any failure to obtain, maintain or renew any of the licenses and permits required by the Company or any of its subsidiaries could have a material adverse effect on the Company's business, operating results or financial condition.

The Company's business is subject to regulatory changes

The business of the Company is subject to rapid regulatory changes. Failure to keep up with such changes may adversely affect the business of the Company. The Company's prospects must be considered in light of the risks, expenses, shifts, changes and difficulties frequently encountered with companies whose businesses are regulated by various federal, state and local governments. Active threat detection technology and similar companies are subject to a variety of regulatory requirements and the regulatory environment is ever changing particularly with recent legislation, the full impact of which is not yet understood as regulations have not been issued. Failure to follow regulatory requirements will have a detrimental impact on the business. Changes in legislation cannot be predicted and could irreparably harm the business.

Low barriers to entry and high competition in the industry

There is high potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company. Competitive pressures created by any one of the Company's competitors could have a material adverse effect on the Company's business, results of operations and financial condition. New technologies and the expansion of existing technologies may increase the competitive pressures on the Company by enabling the Company's competitors to offer a lower-cost product.

Risks associated with brand development of the Company

The Company believes that continuing to strengthen its brand is critical to achieving widespread acceptance of the Company, particularly in light of the competitive nature of the Company's market. Promoting and positioning its brand will depend largely on the success of the Company's marketing efforts and the ability of the Company to provide high quality services. In order to promote its brand, the Company will need to increase its marketing budget and otherwise increase its financial commitment to creating and maintaining brand loyalty among users. There can be no assurance that brand promotion activities will yield increased revenues or that any such revenues would offset the expenses incurred by the Company in building its brand. If the Company fails to promote and maintain its brand or incurs substantial expenses in an attempt to promote and maintain its brand or if the Company's existing or future strategic relationships fail to promote the Company's brand or increase brand awareness, the Company's business, results of operations and financial condition would be materially adversely affected.

The Company's business is subject to rapid technological change

The business of the Company is subject to rapid technological changes. Failure to keep up with such changes may adversely affect the business of the Company. The Company is subject to the risks of companies operating in the active threat detection business. The market in which the Company competes is characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions and enhancements and changing customer demands. As a result, an investment in the securities of the Company is highly speculative and is only suitable for investors who recognize the high risks involved and can afford a total loss of investment.

The Company's business is subject to the risks of earthquakes, fires, floods and other natural catastrophic events and to interruption by manmade problems such as computer viruses and terrorism

The Company's systems and operations are vulnerable to damage or interruption from earthquakes, volcanoes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins and similar events. For example, a significant natural disaster, such as an earthquake, fire or flood, could have a material adverse impact on the Company's business, operating results and financial condition, and the Company's insurance coverage may be insufficient to compensate the Company for losses that may occur. The Company's servers may also be vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with the Company's computer systems, which could lead to interruptions, delays, loss of critical data or the unauthorized disclosure of confidential data. The Company may not have sufficient protection or recovery plans in certain circumstances and the Company's business interruption insurance (as and if carried by the

Company) may be insufficient to compensate the Company for losses that may occur. As the Company expects to rely heavily on its servers, computer and communications systems and the Internet to conduct the Company's business and provide a high quality customer experience, such disruptions could negatively impact the Company's ability to run the Company's business, which could have an adverse effect on the Company's operating results.

Further, the business of the Company may not be insurable or the insurance may not be purchased due to high cost. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

Future Share Issuances May Affect the Market Price of the Common Shares

In order to finance future operations, the Company may raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. Patriot cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares.

Risks Associated with International Operations of the Company

A component of the Company's strategy is to expand internationally. Expansion into international markets will require management's attention and resources. The Company has limited experience in localizing its service, and the Company believes that many of its competitors are also undertaking expansion into foreign markets. There can be no assurance that the Company will be successful in expanding into international markets. In addition to the uncertainty regarding the Company's ability to generate revenues from foreign operations and expand its international presence, there are certain risks inherent in doing business on an international basis, including, among others, regulatory requirements, legal uncertainty regarding liability, tariffs and other trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, different accounting practices, problems in collecting accounts receivable, political instability, seasonal reductions in business activity and potentially adverse tax consequences, any of which could adversely affect the success of the Company's international operations. To the extent the Company expands its international operations and has additional portions of its international revenues denominated in foreign currencies, the Company could become subject to increased risks relating to foreign currency exchange rate fluctuations. There can be no assurance that one or more of the factors discussed above will not have a material adverse effect on the Company's future international operations and, consequently, on the Company's business, results of operations and financial condition.

Issuance of Debt

From time to time the Company may finance acquisitions, expansions or operations partially or wholly with debt, which may increase the Company's debt levels above industry standards. The Company's constating documents do not limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise, or at all. The Company's ability to service its debt obligations will depend on the Company's future operations, which are subject to prevailing industry conditions and other factors, many of which are beyond the control of the Company.

Dividends

The Company does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of its business. Any future determination relating to the Company's dividend policy will be made at the discretion of the Company's Board of Directors and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Company's Board of Directors may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the Common Shares in the foreseeable future.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Global Economy Risk

Access to financing has been negatively impacted by the ongoing global economic risks and geopolitical instability. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's securities.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Company's common shares. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources.

Commercial success of the Company will depend in part on not infringing upon the patents and proprietary rights of other parties and enforcing its own patents and proprietary rights against others. The Company's research and development programs will be in highly competitive fields in which numerous third parties have issued patents and pending patent applications with claims closely related to the subject matter of the Company's programs. The Company is not currently aware of any litigation or other proceedings or claims by third parties that its technologies or methods infringe on their intellectual property.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company intends to acquire businesses, technologies, services or products that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued.

There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired business, technology, service or product into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition. Any such future acquisitions of other businesses, technologies, services or products might require the Company to obtain additional equity or debt financing, which might not be available on terms favourable to the Company, or at all, and such financing, if available, might be dilutive.

Economic Environment

The Company's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Company's future sales and profitability.

Financial Risk Exposures

The Company may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates and has financial risk exposure towards digital currencies. The level of the financial risk exposure related to currency and exchange rate fluctuations will depend on the Company's ability to hedge such risk or use another protection mechanism.

The Company may Alter its Proposed use of Current and Future Available Funds

Patriot has used and intends to use its available capital to further the advance its business and for general working capital. Although these allocations are based on the current expectations of management of Patriot, there may be circumstances where, for business reasons, a reallocation of funds may be necessary as may be determined at the discretion of Patriot, and there can be no assurance as of the date hereof as to how those funds may be reallocated.

Going-Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and/or the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing an equity or debt financing or in achieving or maintaining profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not party to any legal proceedings or regulatory actions and no such proceedings are known to the Issuer to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, none of (i) the directors or executive officers of the Company, (ii) the shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the voting securities of the Company, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Annual Information Form or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries. See “Material Contracts”.

Related Party Transactions

Patriot has not engaged in any material Non-Arm’s Length Party transactions since its incorporation, other than those set out in the Patriot Financial Statements.

TRANSFER AGENT, REGISTRAR AND WARRANT AGENT

The Company has appointed TSX Trust Company at their principal transfer offices in Toronto, ON as the transfer agent and registrar for the Common Shares and Warrant Agent for the Warrants.

MATERIAL CONTRACTS

The following is a list of material contracts of Patriot and its subsidiaries, other than contracts entered into in the ordinary course of business, entered into by Patriot within the last financial year ended July 31, 2019 or before the last financial year that are still in effect:

- (1) Detection, the Company, Bullrun and Rajni Singhera entered into a royalty agreement dated October 26, 2016 (the “**Royalty Agreement**”) pursuant to which Patriot will grant Bullrun and Rajni Singhera 2% (as to 1% each) net sales royalty on Patriot’s use of the technology licensed from McMaster University pursuant to the McMaster Agreement (as more particularly set out below). A complete copy of the Royalty Agreement is available on the Company’s profile at www.sedar.com.
- (2) On March 24, 2016, Detection (licensee) entered into a contract with McMaster University (the “**McMaster Agreement**”). This is a standard license agreement and includes a 3.5% net sales royalty. The termination date is 20 years from the effective date (March 24, 2036) or upon the last to expire or become abandoned of the licensed patents. Change of control and assignment is permitted with the prior written consent of McMaster University. McMaster University carries out scientific research and has developed the intellectual property in the patents that are described in the McMaster Agreement. The McMaster Agreement grants Patriot an exclusive royalty bearing license to use and practice the licensed patents with the exclusive license to make, use, or sell the licensed products or transfer the licensed products. The licensed patents are: CA 2,895,795; US 14/751,796; EP 15174116; UA a201506349 and HK 16106764.3. A complete copy of the McMaster Agreement is available on the Company’s profile at www.sedar.com.

- (3) Patriot entered into a consulting agreement with Martin Cronin on April 1, 2018 (the "**Cronin Agreement**"). The Cronin Agreement has a 33 month term with an option to renew for an additional one year, and sets out the terms by which Martin Cronin is to provide services as President and CEO of Patriot. Martin Cronin's monthly consulting fee is \$20,000 plus GST, which was made effective retroactively to January 1, 2018. The Cronin Agreement's non-competition and non-solicitation clause applies to Martin Cronin for one year following termination.
- (4) Patriot entered into a securities exchange agreement with EhEye Inc. and all the securityholders of EhEye Inc. pursuant to which Patriot One acquired a 100-per-cent equity interest in EhEye Inc. in consideration of the issuance of 1,636,363 Common Shares to the former shareholders of EhEye Inc.. Patriot also granted 277,775 replacement incentive stock options to employee, director and officer option holders of EhEye Inc. in consideration of the cancellation of their outstanding EhEye Inc. options, in each case with terms to match the benefit foregone by the cancellation of such EhEye Inc. options.
- (5) On January 22, 2019 Patriot entered into a binding operating agreement with NanoBio Detection Systems LLC ("**NanoBio**") in respect of the creation of the Sotech Secure, LLC joint venture to commercialize a technology for the stand-off detection of explosives and other threats such as chemical and biological agents as well as illicit narcotics. In consideration of the grant of an exclusive technology licence to Sotech, Patriot will paid NanoBio up to \$3-million (U.S.) as follows: (1) \$1-million (U.S.) following execution of the agreement, (2) \$1-million (U.S.) on or before March 2, 2019 (paid); and (3) \$1-million (U.S.) upon the completion by Sotech of transactions resulting in an injection of non-debt working capital (revenue) of greater than \$1-million (U.S.). Patriot will finance the initial research and product development expenses subject to board approvals and a mutually agreed option whereby NanoBio may increase its interest in the joint venture up to 70 per cent within 18 months of the effective date of the agreement in consideration of a payment to Patriot equal to 100 per cent of all development expenses to date. If exercised, all future financing obligations between Patriot One and Nano-Bio would be on a pro rata (30 per cent/70 per cent, respectively) basis. Pursuant to the agreement, Sotech will pay two net profit royalties, one to Nano-Bio in the amount of 20 per cent and one to the University of Texas in the amount of 2.5 per cent.
- (6) On July 25, 2019 Patriot completed an exclusive global commercial licensing agreement for intellectual property with Quasar Federal Systems Inc. ("**Quasar**") of San Diego, Calif., to ensure the successful deployment of PATSCAN TMS components. Under the terms of this agreement, Quasar has granted Patriot a perpetual, worldwide, exclusive, fully paid-up, transferable and irrevocable licence (with a right of sublicense) to use Quasar's intellectual property to use, develop, modify, manufacture and sell covert threat detection technology in exchange for an aggregate cash consideration of \$5-million (U.S.). The Quasar IP licence includes access to patented sensor technology and patent-pending magnetic detection and security screening technology. Patriot also has the right to engage Quasar's development team to assist with future modifications to the technology, as well as manufacturing and implementation engineering.

- (7) Patriot entered into an agreement with Raytheon Canada Ltd. ("Raytheon") wherein Raytheon will fund Patriot with \$3,000,000 non-dilutive cash financing for further development of Patriot's concealed weapons detection technology (the "Project"). The Project has been approved as a qualifying project under the Government of Canada's ITB program, administered by Innovation Science and Economic Development Canada Pursuant to the terms of the agreement, Patriot will be eligible to claim milestone funding of \$500,000, \$1,000,000 and \$1,500,000 due on or before December 31, 2018, December 31, 2019, and December 31, 2020, respectively, provided at least double the applicable milestone value has been spent by Patriot on qualifying expenditures.
- (8) On November 2, 2018 Patriot entered into an underwriting agreement with Canaccord Genuity Corp. ("Canaccord") to issue 16,000,000 units of the corporation at a purchase price of \$2.50 per unit. Each unit consisted of one common share and one warrant with an exercise price of \$3.25. Canaccord was also granted the option to purchase up to an additional 2,400,000 Units for proceeds of \$2.50 per unit and the option to purchase up to an additional 2,400,000 warrants for proceeds of \$0.22 per warrant.

INTERESTS OF EXPERTS

The Patriot Financial Statements have been audited by Davidson & Company LLP, as set forth in their audit reports. Davidson & Company LLP is the independent auditor of the Company and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional financial information is provided in the Patriot Financial Statements and MD&A.

APPENDIX "A"
GLOSSARY OF TERMS

"Annual Information Form" means this annual information form;

"Board of Directors" means the board of directors of the Company;

"Bullrun" means Bullrun Capital Inc.

"Cliffmont" means Cliffmont Resources Ltd.

"Common Shares" means the common shares in the capital of the Company;

"Detection" means Patriot One Detection Ltd;

"FAA" means the Federal Aviation Administration;

"FCC" means the Federal Communications Commission;

"IFRS" means International Financial Reporting Standards;

"McMaster Agreement" means the agreement entered into between Patriot and McMaster University dated effective March 24, 2016;

"MD&A" means the management's discussion and analysis of the Company for the year ended July 31, 2019;

"Patriot" or the **"Company"** means Patriot One Technologies Inc.;

"Patriot Financial Statements" means the audited annual consolidated financial statements of the Company as at and for the year ended July 31, 2019, together with the notes thereto and the auditors' report thereon;

"TSA" means the Transportation Security Administration; and

"WTMDs" has the meaning given to it on page 21.