

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, except the province of Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*This short form prospectus is a base shelf prospectus. This preliminary short form prospectus has been filed under legislation in each of the provinces and territories of Canada, except the province of Québec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements is available.*

*This preliminary short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. See “Plan of Distribution”. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*Information has been incorporated by reference in this preliminary prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Patriot One Technologies Inc. at 400-257 Adelaide Street West, Toronto, Ontario, M5H 1X9, Telephone 1-888-728-1832 and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

*New Issue*

October 26, 2021



**PATRIOT ONE TECHNOLOGIES INC.  
400-257 Adelaide Street West  
Toronto, Ontario, M5H 1X9**

**\$50,000,000**

**COMMON SHARES**

**WARRANTS**

**SUBSCRIPTION RECEIPTS**

**UNITS**

**DEBT SECURITIES**

Patriot One Technologies Inc. (the “**Company**” or “**Patriot One**”) may offer and issue from time to time, the securities listed above or any combination thereof with the aggregate initial offering price not to exceed \$50,000,000 during the 25 month period that this preliminary short form base shelf prospectus (this “**Prospectus**”), including any amendments thereto, remains effective. The Company’s securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market

conditions at the time of sale and set forth in an accompanying shelf prospectus supplement (“**Prospectus Supplement**”).

The specific terms of the securities offered in a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of common shares, the number of common shares offered, the offering price and any other specific terms; (ii) in the case of warrants, the designation, number and terms of the securities issuable upon exercise of the warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the warrants are issued and any other specific terms; (iii) in the case of subscription receipts, the designation, number and terms of the securities issuable upon satisfaction of certain release conditions, any procedures that will result in the adjustment of these numbers, any additional payments to be made to holders of subscription receipts upon satisfaction of the release conditions, the terms of the release conditions, the terms governing the escrow of all or a portion of the gross proceeds from the sale of the subscription receipts, terms for the refund of all or a portion of the purchase price for the subscription receipts in the event that the release conditions are not met or any other specific terms; (iv) in the case of units, the designation, number and terms of the common shares, warrants or subscription receipts comprising the units; and (v) in the case of debt securities, the specific designation, the aggregate principal amount, the currency or the currency unit for which the debt securities may be purchased, the maturity, the interest provisions, the authorized dominations, the offering price, the covenants, and the events of default, any terms of redemption or retraction, any exchange or conversion terms, whether the debt is senior or subordinate, and any other specific terms of the debt securities being offered. A Prospectus Supplement may include specific variable terms pertaining to the above-described securities that are not within the alternatives or parameters set forth in this Prospectus.

This Prospectus may qualify an “at-the-market” distribution as defined under National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the Toronto Stock Exchange (the “**TSX**”) or other existing markets for the securities.

All shelf information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus to the extent required by applicable securities laws. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the securities to which the Prospectus Supplement pertains.

**An investment in the Company’s securities involves a high degree of risk. You should carefully read the “*Risk Factors*” section detailed in this Prospectus.**

This Prospectus may constitute a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. Patriot One may offer and sell securities to, or through, underwriters or dealers and also may offer and sell certain securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. The Prospectus Supplement relating to each issue of securities offered thereby will set forth the names of any underwriters, dealers, or agents involved in the offering and sale of such securities and will set forth the terms of the offering of such securities, the method of distribution of such securities, including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents, and any other material terms of the plan of distribution. No underwriter has been involved in the preparation of, or has performed a review of, the contents of this Prospectus.

Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with

purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution of the securities.

In connection with any offering of securities (unless otherwise specified in a Prospectus Supplement), other than an “at-the-market distribution”, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

The Company’s common shares (the “**Common Shares**”) are listed on the TSX under the trading symbol “PAT”, on the OTCQX under the trading symbol “PTOTF”, and on the Frankfurt Stock Exchange under the trading symbol “0PL”. The closing market price of the Common Shares on the TSX as of October 25, 2021, the last trading day before the date of this Prospectus, was \$0.43. **Unless otherwise specified in a Prospectus Supplement, there is no market through which the Company’s warrants, units, subscription receipts, or debt securities may be sold and you may not be able to resell any of such securities, purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of such securities on the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.**

## TABLE OF CONTENTS

ABOUT THIS PROSPECTUS .....	1
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	1
TRADE-MARKS, TRADE NAMES AND SERVICE MARKS .....	3
DOCUMENTS INCORPORATED BY REFERENCE.....	3
SUMMARY DESCRIPTION OF BUSINESS .....	4
RISK FACTORS .....	6
USE OF PROCEEDS .....	16
PRIOR SALES.....	17
TRADING PRICE AND VOLUME.....	17
DIVIDEND POLICY.....	18
CONSOLIDATED CAPITALIZATION.....	18
DESCRIPTION OF SHARE CAPITAL.....	18
DESCRIPTION OF SECURITIES OFFERED UNDER THIS PROSPECTUS .....	19
EARNINGS COVERAGE RATIOS .....	24
DENOMINATIONS, REGISTRATION AND TRANSFER.....	25
PLAN OF DISTRIBUTION .....	25
CERTAIN INCOME TAX CONSIDERATIONS.....	26
AUDITOR, TRANSFER AGENT, REGISTRAR AND WARRANT AGENT .....	26
INTERESTS OF EXPERTS .....	26
ADDITIONAL INFORMATION.....	27
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION.....	27
CERTIFICATE OF THE COMPANY	

## ABOUT THIS PROSPECTUS

You should rely only on the information contained in or incorporated by reference into this Prospectus. Patriot One has not authorized anyone to provide you with different information. Patriot One is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should bear in mind that although the information contained in this Prospectus and any Prospectus Supplement is accurate as of any date on the front of such documents, such information may also be amended, supplemented or updated by the subsequent filing of additional documents deemed by law to be or otherwise incorporated by reference into this Prospectus and by any subsequently filed prospectus amendments.

This Prospectus provides a general description of the securities that the Company may offer. Each time the Company sells securities under this Prospectus, it will provide you with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any securities, you should read both this Prospectus and any applicable Prospectus Supplement together with additional information described below under “*Documents Incorporated by Reference*”.

Unless the context otherwise requires, references in this Prospectus and any Prospectus Supplement to “Patriot One”, the “Company”, “we”, “us” or “our” includes Patriot One Technologies Inc. and each of its material subsidiaries.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements (collectively, “**forward-looking statements**”) in this Prospectus and the documents incorporated by reference into this Prospectus about the Company’s 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 legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer (collectively, “**Securities Laws**”). 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 “*Summary Description of Business*” and “*Risk Factors*”. Forward-looking statements included or incorporated by reference in this Prospectus include, but are not limited to, statements with respect to the future financial or operating performance of the Company and its subsidiaries; the Company’s expectations with respect to future growth; the Company’s expectations with respect to achievement of its business objectives and milestones; the legislative and regulatory environment; the impact of increasing competition; the ability to obtain regulatory and shareholder approvals; the Company’s expectations with respect to the use of net proceeds of future offerings and the use of the available funds following completion of such offerings; requirements for additional capital; the Company’s expectations regarding its revenue, expenses and operational costs; the Company’s anticipated cash needs; the Company’s intention to grow the business and its operations; and the Company’s ability to successfully withstand the economic impact of the COVID-19 pandemic.

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 industry of threat detection technologies and solutions, 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. These assumptions include, but are not limited to:

- (i) the Company being able to generate cash flow from operations and obtain necessary financing on acceptable terms;
- (ii) general economic, financial market, regulatory and political conditions in which the Company operates will remain the same;
- (iii) the Company being able to compete in the threat detection industry;
- (iv) the Company being able to manage anticipated and unanticipated costs;
- (v) the Company being able to maintain internal controls over financial reporting and disclosure and procedures;
- (vi) the Company being able to maintain interest in the Company's products and services;
- (vii) the Company's ability to obtain qualified staff, tools and services in a timely and cost efficient manner;
- (viii) the Company's ability to conduct operations in an efficient and effective manner;
- (ix) government regulation of the Company's activities will remain the same or develop in a positive direction; and
- (x) the Company being able to successfully build or sustain partnerships or relationships with key players in the industry.

Many factors could cause the Company's 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 Prospectus.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that such expectations will prove to have been correct. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's 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. Furthermore, unless otherwise stated, the forward-looking statements contained in this Prospectus are made as of the date of this Prospectus, 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 Prospectus are expressly qualified by this cautionary statement.

### **Presentation of Financial Information**

The Company presents its financial statements in Canadian dollars. All dollar figures in this Prospectus are in Canadian dollars, unless otherwise indicated. All of the financial data contained in this Prospectus relating to the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

## TRADE-MARKS, TRADE NAMES AND SERVICE MARKS

This Prospectus includes trade-marks, trade names, and service marks which are protected under applicable intellectual property laws. Solely for convenience, the trade-marks to which the Company has rights that are referred to in this Prospectus may appear without the <sup>TM</sup> or ® symbol, but such omissions are not intended to indicate, in any way, that the Company, or its affiliates, as applicable, will not assert, to the fullest extent under applicable law, their respective rights or the right of the applicable licensor to these trade-marks.

## DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in all of the provinces and territories of Canada, except the province of Québec (the “**Commissions**”). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 400-257 Adelaide Street West, Toronto, Ontario, M5H 1X9, Telephone 1-888-728-1832 and are also available electronically on SEDAR which can be accessed electronically at [www.sedar.com](http://www.sedar.com).

The following documents of the Company, which have been filed with the Commissions, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- a. the annual information form of Patriot One (the “**Annual Information Form**”) dated October 21, 2021 for the year ended July 31, 2021, filed on SEDAR on October 21, 2021;
- b. the audited consolidated financial statements of the Company for the years ended July 31, 2021 and 2020, together with the notes thereto and the auditor’s report thereon and related management’s discussion and analysis (the “**MD&A**”), filed on SEDAR on October 21, 2021; and
- c. the information circular of the Company dated September 30, 2021 in respect of its annual general meeting of shareholders to be held on November 18, 2021, filed on SEDAR on October 18, 2021.

**Any annual information form, material change reports (excluding confidential material change reports), any interim and annual consolidated financial statements and related management discussion and analysis, any information circulars (excluding those portions that, pursuant to National Instrument 44-101 of the Canadian Securities Administrators, are not required to be incorporated by reference herein), any business acquisition reports, any news releases or public communications containing financial information about the Company for a financial period more recent than the periods for which financial statements are incorporated herein by reference, and any other disclosure documents required to be filed pursuant to an undertaking to a provincial or territorial securities regulatory authority that are filed by the Company with various securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the termination of an offering under any Prospectus Supplement, shall be deemed to be incorporated by reference in this Prospectus.**

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that**

**is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.**

A Prospectus Supplement containing the specific terms of an offering of securities, updated disclosure of earnings coverage ratios, if applicable, and other information relating to the securities, will be delivered to prospective purchasers of such securities together with this Prospectus and the applicable Prospectus Supplement and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the securities covered by that Prospectus Supplement.

Upon a new annual information form and the related annual financial statements being filed by the Company with, and, where required, accepted by, the applicable securities commissions or similar regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and all quarterly financial statements, material change reports and information circulars filed prior to the commencement of the Company's financial year in which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of further offers and sales of securities hereunder.

### **SUMMARY DESCRIPTION OF BUSINESS**

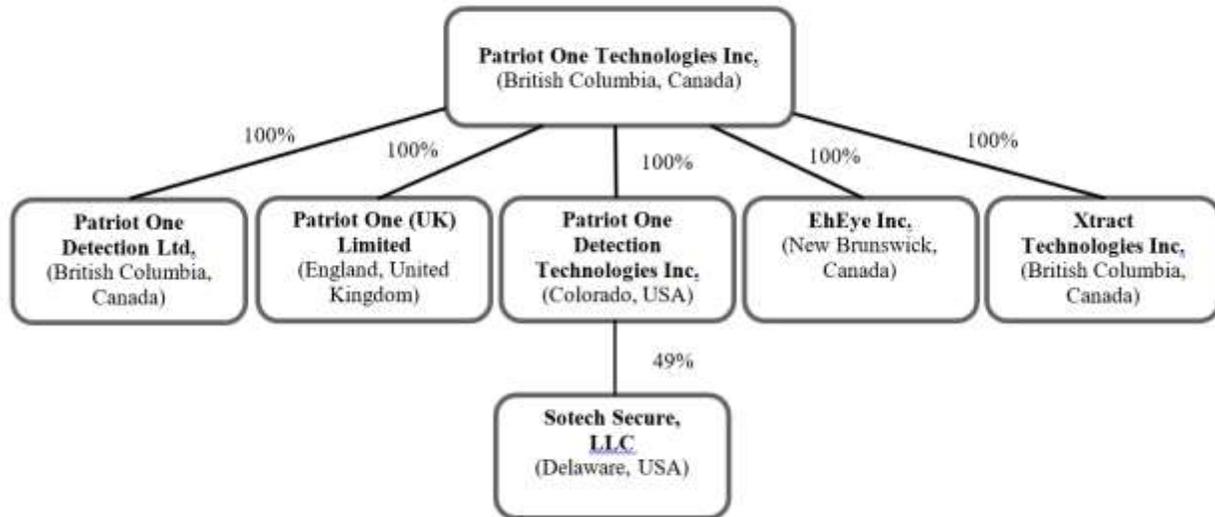
Patriot One, a British Columbia company, is a reporting issuer in all provinces and territories of Canada, except the province of Québec. The Company's Common Shares are listed for trading on the TSX under the trading symbol "PAT", on the OTCQX under the trading symbol "PTOTF", and on the Frankfurt Stock Exchange under the trading symbol "0PL". The Company's head office is located at 400-257 Adelaide St. W, Toronto, ON M5H 1X9, and its registered and records office is located at Suite 400, 725 Granville Street, Vancouver, British Columbia, V7Y 1G5.

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 was delisted from the TSXV on April 9, 2019 and listed on the TSX.

As of the date hereof, the Company has six subsidiaries:

<b>Name of Subsidiary</b>	<b>Place of Incorporation</b>	<b>Proportion of Ownership Interest</b>	<b>Principal Activity</b>
Patriot One Detection Ltd.	British Columbia	100%	See below
Patriot One (UK) Limited	England, UK	100%	See below
Patriot One Detection Technologies Inc.	Colorado, USA	100%	See below
EhEye Inc.	New Brunswick	100%	See below
Xtract Technologies Inc.	British Columbia	100%	See below
Sotech Secure, LLC	Delaware, USA	49%	See below

The following organization chart shows the intercorporate relationships of the Company:



## General

The principal business of the Company is to commercialize an integrated, layered, multi-sensor platform of technologies, referred to as "Patriot One's AI-Powered Platform" or "the Platform", with the aim of enhancing public health and safety. The Company's mission is to be one of the foremost global proponents and providers of commercial threat countermeasures for community safety. The Company has two distinct operating segments being its Patriot Threat Detection and Xtract business units. Patriot Threat Detection develops and commercializes a platform of multi-sensor threat detection technologies, while Xtract develops and commercializes advanced artificial intelligence ("AI") solutions for customers.

### *Patriot Threat Detection*

The Company's wholly owned subsidiary Patriot One Detection Ltd. is responsible for the development and commercialization of the Platform in Canada. Patriot One (UK) Limited manages the threat detection marketing and sales initiatives of the Company in the UK and Europe, while Patriot One Detection Technologies Inc. manages the marketing and sales initiatives of the Company in the United States. EhEye Inc. manages a team of specialists developing and enhancing video technology to support the visual components of the Platform's threat detection offering.

### *AI Solutions*

Xtract develops and commercializes AI, machine learning, deep neural network and predictive solutions utilizing its proprietary technology for public institutions and private enterprises. Through the integration of the Xtract data science team, the Company is progressing with advancing the integration of the various sensor technologies to further enhance the accuracy, effectiveness and real-world utility of the Platform.

## Recent Developments

Recent developments in respect of the Company and its business are set out in its Annual Information Form filed on October 21, 2021. The recent developments for the twelve months prior to the date of this Prospectus are reproduced here for easy reference:

- On November 16, 2020, the Company appointed Peter Evans as its Chief Executive Officer and Director. Mr. Evans brings strong expertise working with venture-backed and public companies in

executive leadership, operations and board roles, and has a proven track record in revenue growth for early-stage technology organizations.

- On May 13, 2021, the Company announced enhancements to its Video Recognition Software (VRS) for identifying weapons and other threats in crowds. Key enhancements to VRS include High Fidelity Object Recognition and people counting capabilities.
- On July 22, 2021, the Company announced the release of the new Alert Center for its Platform, a remote-access solution that enables security alert orchestration and delivery via a mobile app.
- On September 10, 2021, the Company announced it has released the next phase of its threat detection multi-sensor gateway (MSG) with technology enhancements that make it increasingly accurate, flexible and practical for sports and entertainment venues.

## **RISK FACTORS**

*An investment in the Company's securities involves a high degree of risk and must be considered a highly speculative investment due to the nature and present stage of the Company's business.*

*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 Prospectus and all documents incorporated by reference. Before deciding to invest in any securities, in addition to considering the risks outlined below, you should also carefully consider the risks contained in the section entitled "Cautionary Note Regarding Forward-Looking Statements" above, the risks outlined in the documents incorporated by reference in this Prospectus, the risks described in any Prospectus Supplement, the risks described in the Company's historical financial statements, the related notes thereto, and the risks described in the Annual Information Form. The risks and uncertainties described below are those Patriot One currently believes to be material, but they are not the only ones the Company faces. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified or that we currently consider not to be material, actually occur or become material risks, its business, prospects, financial condition, results of operations and cash flows and consequently the price of Patriot One's securities could be materially and adversely affected.*

### **General**

A purchase of any securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in securities of the Company should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective subscribers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing securities of the Company.

### **Business and Operations Risks**

*Limited operating history.*

Patriot One has a limited operating history upon which its business and future prospects may be evaluated. As a result, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for the Company to meet future operating and debt service requirements, the Company will need to be successful in its growing marketing and sales efforts. If the Company's products and services are not accepted by new customers, the Company's operating results may be materially and adversely affected.

*Additional financing.*

Future capital expenditures may be financed out of funds generated from future equity sales and borrowings. The Company's ability to do so is dependent on, among other factors, the performance of the Company and its investments, the overall state of capital markets and investor appetite for investments in the technology industry and the Common Shares in particular. From time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed partially or wholly with debt, which may temporarily increase the Company's debt levels above industry standards.

Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay in the development and pursuit of the Company's business. There can be no assurance that the Company will be successful in its efforts to arrange additional financing in amounts sufficient to meet its goals or requirements, or on terms that are acceptable to it. If additional financing is raised by the issuance of Common Shares from treasury of, control of the Company may change and shareholders may suffer additional dilution.

*History of losses.*

Patriot One does not know if business operations will become profitable or if the Company will continue to incur net losses. 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 Prospectus (including the documents incorporated herein by reference), 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.

*Decreased demand.*

The Company has limited products and changes in customer preferences may have a disproportionately greater impact on the Company than if it derived revenues from multiple lines of products. There can be no assurance that the Company's products and services will attain or maintain long-term customer appeal. If customer interest declines, or if there is increased competition in the market for threat detection technology, the Company may experience a significant loss of sales, cancellation of orders from customers, loss of customers, excess inventories, inventory markdown and deterioration of our brand image, and lower revenues and gross and operating margins as a result of price reductions and may be forced to liquidate excess inventories at a discount, any or all of which would have a material adverse impact on the Company's operating results and growth prospects.

The sales potential of the Company's products and solutions is still at an early 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 and services 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 gives 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 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 product portfolio. Failure to grow and advance the Company's business can have a material adverse effect on the Company's operating results and growth prospects.

*Information technology systems and cyber-security.*

The Company is dependent upon the availability, capacity, reliability and security of information technology infrastructure and its ability to expand and continually update this infrastructure, to conduct daily operations. Further, the Company will be subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to the business activities or the Company's competitive position. Further, disruption of critical information technology services, or breaches of information security, could have a negative effect on the performance and earnings, as well the reputation of the Company. The Company will apply technical and process controls in line with industry-accepted standards to protect information assets and systems; however, these controls may not adequately prevent cyber-security breaches. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on the Company's business, financial condition and results of operations.

*Internal controls and financial reporting.*

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has, and will continue to undertake certain procedures in order to help ensure the reliability of its financial reports, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its independent auditors discover a material weakness in such controls, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and have a material adverse effect on the market price of Common Shares.

*Failure to protect its intellectual property.*

Failure to protect the Company's intellectual property could harm its ability to compete effectively. The Company is highly dependent on its ability to protect its proprietary technology. The Company has, and will continue to rely on a combination of patent, copyright, trademark and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights. The Company intends to protect its rights vigorously. However, there can be no assurance that these measures will, in all cases, be successful. Enforcement of the Company's intellectual property rights may be difficult, particularly in some nations outside of North America in which the Company may seek to market its products. While U.S. and Canadian copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or of the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of the Company's proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of the Company's products represents a loss of revenue to the Company. Despite the precautions the Company may take, unauthorized third parties, including its competitors, may be able to: (i) copy certain portions of its products; or (ii) reverse engineer or obtain and use information that the Company regards as proprietary. Also, the Company's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to

the Company's technologies. The Company's competitive position may be materially adversely affected by its possible inability to effectively protect its intellectual property.

*Failure to protect confidential information.*

The Company expects to principally rely on patent protection to protect the Company's proprietary technologies; however, the Company's competitive advantage will rely to a certain extent on owned and developed trade secrets. Patriot One 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 relies 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.

*Dependence on management and key personnel.*

The Company is dependent upon the personal efforts and commitment of its directors, officers and key personnel. If one or more of the Company's executive officers becomes unavailable for any reason, a severe disruption to the business and operations of the Company could result and the Company may not be able to replace them readily, if at all. As the Company's business activity grows, the Company will require additional key financial, administrative and technical personnel as well as additional operations staff. There can be no assurance that the Company will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

*Human error.*

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage the Company's interests and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to the Company. These could include loss of business or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort the Company might undertake and legal claims for errors or mistakes by the Company's personnel.

*Uninsured or uninsurable risks.*

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all risks and the Company may become subject to liability for risks which are uninsurable or against which it may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position and operations.

*Involvement in other business activities.*

The Company's directors are involved in other business activities. As a result of their other business endeavors, the directors may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues.

*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.

*Risks associated with brand development.*

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 products and 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.

*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 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.

*Fixed expenses.*

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.

*Future acquisitions could disrupt business.*

The Company's success depends, 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.

*Permits and licences.*

The operations of the Company may require licences and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licences and permits that may be required.

*Reliance on third parties.*

The Company may from time to time rely on third parties for licensing of technologies used in the Company's products and services. If these third parties 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 and services.

*Significant demand on products and managements.*

The Company expects to experience growth in its business. This growth has placed and may continue to place significant demands on the Company's management and 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.

*Legal proceedings.*

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

*Regulatory compliance.*

Achievement of the Company's business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. The Company may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

*Failure to comply with applicable laws.*

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 is 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.

*Conflicts of interest.*

Certain directors and officers of the Company are, and may continue to be, involved in the threat detection industry through their direct and indirect participation in corporations, partnerships or joint ventures, which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the procedures set out in the *Business Corporations Act* (British Columbia).

*Public health crisis.*

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, such as the outbreak of COVID-19.

Throughout 2020 and 2021, the COVID-19 pandemic has caused companies and various jurisdictions to impose travel, gathering and other public health restrictions. Although these effects are diminishing as vaccination rates across the world increase, the continued impact of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for the Company's services and products, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest. The impact of public health crisis on the Company is uncertain and these factors are beyond the Company's control. However, it is possible that epidemics, pandemics or other health crisis, such the COVID-19 pandemic, may have a material adverse effect on the Company's business, results of operations and financial condition.

#### *Dividend policy.*

No dividends on the Common Shares have been paid by the Company to date. The Company anticipates that it will retain any earnings and other cash resources for the foreseeable future for the operation and development of its business. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board of Directors after taking into account a number of factors, including the Company's operating results, financial condition and current and anticipated cash needs.

#### *Issuance of debt.*

From time to time the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed 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.

#### *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 a currency and exchange rate fluctuations will depend on the Company's ability to hedge such risk or use another protection mechanism.

### **Industry Specific Risks**

#### *Reliance on technology development.*

The Company's ability to generate future revenue or achieve or sustain profitable operations is largely dependent on its ability to attract experienced management with the requisite know-how to develop new devices and technologies and to partner with larger, more established companies in the industry to

successfully commercialize its products. Successfully developing prototypes and technologies into commercially viable endeavors may take several years and significant financial resources, and the Company may not achieve this objective. In order to commercialize any product, the Company needs to conduct trials, which may not succeed, and to obtain regulatory approvals, which it may fail to do. The Company's products and technologies must comply with guidelines prescribed by authorities 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 that authorities 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 applicable authorities or regulatory agencies or due to inadequate financial or other resources to advance product candidates through the trial process for successful commercialization.

#### *Changes in technology.*

The threat detection industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other companies may have greater financial, technical and personnel resources that allow them to benefit from technological advantages and may in the future allow them to implement new technologies before the Company. There can be no assurance that the Company will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by the Company or implemented in the future may become obsolete. If the Company is unable to utilize the most advanced commercially available technology, its business, financial condition and results of operations could also be adversely affected in a material way.

#### *New markets.*

The Company is expected to derive the majority of its revenues in subsequent years from commercial sale and implementation of threat detection technology, 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.

#### *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.

#### *High competition.*

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.

*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 threat detection business. The market in which the Company competes is characterized by rapidly changing technology, evolving industry standards, frequent new product and service announcements, partnerships, introductions and enhancements and changing customer demands. As a result, an investment in the stocks 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.

*Risks associated with international operations.*

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 products and services, 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.

*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.

**Risks Related to Common Shares**

*No returns.*

The Company intends to retain any future earnings to finance the development of its business and the business of the Company. The Company does not anticipate paying any cash dividends on the Common Shares in the near future. Unless the Company pays dividends, its shareholders will not be able to receive a return on their shares unless they sell them.

*Market volatility.*

The market price of a publicly traded stock, especially a technology issuer such as the Company, is affected by many variables in addition to those directly related to successes or failures, some of which will be outside of the Company's control. Such factors include the general condition of markets, the strength of the economy generally, the availability and attractiveness of alternative investments, analysts' recommendations and their estimates of financial performance, investor perception and reactions to

disclosure made by the Company and by the Company's competitors, and the breadth of the public markets for the stock. Therefore, investors could suffer significant losses if Common Shares will be depressed or illiquid when an investor seeks liquidity.

*Decline in price.*

A prolonged decline in the price of Common Shares could result in a reduction in the liquidity of Common Shares and a reduction in the Company's ability to raise capital. A decline in the price of Common Shares could be detrimental to its liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on its business plan and operations, including its ability to continue its current operations. If its share price declines, the Company can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

The market price for Common Shares may also be affected by its ability to meet or exceed the expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of Common Shares.

*Analyst coverage.*

The trading market for Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. The Company will not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

*Tax issues.*

There may be income tax consequences in relation to Common Shares, which will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.

*Dilution.*

Issuances of additional securities including, but not limited to, Common Shares or some form of convertible debentures, may result in a substantial dilution of the equity interests of any of the Company's shareholders.

## **USE OF PROCEEDS**

Unless otherwise specified in a Prospectus Supplement, the net proceeds of any offering of securities under a Prospectus Supplement will be used for general corporate purposes, including research and development, and sales initiatives. More detailed information regarding the use of proceeds from a sale of securities will be included in the applicable Prospectus Supplement.

All expenses relating to an offering of securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the Company's general funds, unless otherwise stated in the applicable Prospectus Supplement.

Although the Company cannot estimate the long-term potential impact of the COVID-19 pandemic on its business and operations, so far the pandemic has had a significant impact on the Company's employees, operations and its business as a whole. The Company experienced delays in its ability to fully satiate

reseller, customer, and other end-user performance obligations according to original planned timeframes. The Company has, for the time being, implemented social distancing and mask wearing measures recommended by local authorities. For a more detailed discussion around the impact of the COVID-19 pandemic on the Company, see the MD&A. In general, public health crises can result in volatility and disruptions in global supply chains and financial markets, as well as declining trade and market sentiment, and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. See “*Risk Factors – Public health crisis*”.

The Company has experienced and is experiencing negative operating cash flow. If the Company does not achieve positive cash flow, it will be necessary for the Company to raise additional equity or debt. There is no assurance that additional equity or debt will be available to the Company or on terms acceptable to the Company.

### PRIOR SALES

The following table sets forth, for the 12-month period prior to the date of this Prospectus, details of the price at which securities have been issued or are to be issued by the Company, the number of securities issued at that price and the date on which the securities were issued:

Issue Date	Number of Securities	Type of Security	Issue or Exercise Price per Security	Aggregate Issue or Exercise Price	Purpose
Jun 15, 2021	1,355,000	Options	\$0.52	\$704,600	Option issuance
Mar 22, 2021	60,000	Options	\$0.49	\$29,400	Option issuance
Dec 10, 2020	50,000	Options	\$0.51	\$25,500	Option issuance
Nov 11, 2020	720,000	Options	\$0.57	\$410,400	Option issuance
Oct 29, 2020	290,000	Options	\$0.56	\$162,400	Option issuance

### TRADING PRICE AND VOLUME

The Common Shares are listed on the TSX under the trading symbol “PAT”, on the OTCQX under the trading symbol “PTOTF”, and on the Frankfurt Stock Exchange under the trading symbol “0PL”. The following table sets out the price ranges and trading volumes on the TSX of the shares for the dates indicated:

TSX Price Range			
Month	High (\$)	Low (\$)	Total Volume
October 1 – 25, 2021	0.50	0.40	2,064,989
September 2021	0.53	0.47	1,869,937
August 2021	0.57	0.47	2,858,630
July 2021	0.51	0.45	1,578,000
June 2021	0.64	0.48	3,674,200
May 2021	0.53	0.44	2,239,100

April 2021	0.58	0.47	3,466,900
March 2021	0.62	0.47	4,295,000
February 2021	0.75	0.51	9,120,090
January 2021	0.64	0.42	7,566,707
December 2020	0.59	0.39	11,338,900
November 2020	0.70	0.51	4,746,600
October 2020	0.84	0.54	5,542,000

### **DIVIDEND POLICY**

The Company has not declared or paid dividends since incorporation and has no present intention to declare or pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. Any decision to declare or pay dividends will be made by the Company's Board of Directors based upon the Company's earnings, financial requirements and other conditions existing at such future time.

### **CONSOLIDATED CAPITALIZATION**

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of securities pursuant to such Prospectus Supplement.

There has not been any material change in the share capital of the Company, on a consolidated basis, since July 31, 2021, being the date of the Company's financial statements most recently filed in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*, except as described under "Prior Sales".

### **DESCRIPTION OF SHARE CAPITAL**

#### *Common Shares*

As of the date of this Prospectus, the authorized capital of the Company consisted of an unlimited number of Common Shares without par value. As of the date of this Prospectus, 151,128,622 Common Shares are issued and outstanding.

#### *Warrants*

As at the date of this Prospectus, the Company has nil warrants outstanding to purchase Common Shares.

#### *Options*

As at the date of this Prospectus, the Company has 8,466,487 options outstanding to purchase Common Shares with exercise prices ranging from \$0.19 to \$2.48 per share and expiring between October 31, 2021 and June 15, 2026.

#### *Deferred Share Units*

As at the date of this Prospectus, the Company has no deferred share units outstanding.

### *Restricted Share Units*

As at the date of this Prospectus, the Company has no restricted share units outstanding.

## **DESCRIPTION OF SECURITIES OFFERED UNDER THIS PROSPECTUS**

The Company may offer common shares, warrants, subscription receipts, units or debt securities with a total value of up to \$50,000,000 from time to time under this Prospectus, together with any applicable Prospectus Supplement, at prices and on terms to be determined by market conditions at the time of offering. This Prospectus provides you with a general description of the securities the Company may offer. Each time the Company offers securities, it will provide a Prospectus Supplement that will describe the specific amounts, prices and other important terms of the securities, including, to the extent applicable:

- designation or classification;
- aggregate offering price;
- original issue discount, if any;
- rates and times of payment of dividends, if any;
- redemption, conversion or exchange terms, if any;
- conversion or exchange prices, if any, and, if applicable, any provisions for changes to or adjustments in the conversion or exchange prices and in the securities or other property receivable upon conversion or exchange;
- restrictive covenants, if any;
- voting or other rights, if any; and
- important Canadian federal income tax considerations.

A Prospectus Supplement may also add, update or change information contained in this Prospectus or in documents the Company has incorporated by reference. However, no Prospectus Supplement will offer a security that is not described in this Prospectus.

### **Description of Common Shares**

The Company may offer common shares, which the Company may issue independently or together with warrants or subscription receipts, and the common shares may be separate from or attached to such securities. All of the Company's common shares have equal voting rights, and none of the common shares are subject to any further call or assessment. There are no special rights or restrictions of any nature attaching to any of the common shares and they all rank *pari passu* each with the other as to all benefits which might accrue to the holders of the common shares. The common shares are not convertible into shares of any other class and are not redeemable or retractable.

### **Description of Warrants**

Warrants may be offered separately or together with other securities, as the case may be. Each series of warrants will be issued under a separate warrant indenture to be entered into between the Company and one or more banks or trust companies acting as warrant agent. The applicable Prospectus Supplement will

include details of the terms and conditions of the warrants being offered. The warrant agent will act solely as the Company's agent and will not assume a relationship of agency with any holders of warrant certificates or beneficial owners of warrants.

The particular terms of each issue of warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of warrants;
- the price at which the warrants will be offered;
- the currency or currencies in which the warrants will be offered;
- whether the warrants will be listed on the TSX;
- the designation and terms of the common shares purchasable upon exercise of the warrants;
- the date on which the right to exercise the warrants will commence and the date on which the right will expire;
- the number of common shares that may be purchased upon exercise of each warrant and the price at which and currency or currencies in which the common shares may be purchased upon exercise of each warrant;
- the designation and terms of any securities with which the warrants will be offered, if any, and the number of the warrants that will be offered with each security;
- the date or dates, if any, on or after which the warrants and the related securities will be transferable separately;
- whether the warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian tax consequences of owning the warrants; and
- any other material terms or conditions of the warrants, including transferability of warrants.

Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of common shares issuable upon exercise of the warrants.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the warrants that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the warrants described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such warrants.

### **Description of Subscription Receipts**

The Company may issue subscription receipts, which will entitle holders to receive upon satisfaction of certain release conditions and for no additional consideration, common shares, warrants or a combination

thereof. Subscription receipts will be issued pursuant to one or more subscription receipt agreements (each, a “**Subscription Receipt Agreement**”), each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”), which will establish the terms and conditions of the subscription receipts. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. The Company will file on SEDAR a copy of any Subscription Receipt Agreement after the Company has entered into it.

The following description sets forth certain general terms and provisions of subscription receipts and is not intended to be complete. The statements made in this Prospectus relating to any Subscription Receipt Agreement and subscription receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement and the Prospectus Supplement describing such Subscription Receipt Agreement. The Company urges you to read the applicable Prospectus Supplement related to the particular subscription receipts that the Company sells under this Prospectus, as well as the complete Subscription Receipt Agreement.

The Prospectus Supplement and the Subscription Receipt Agreement for any subscription receipts the Company offers will describe the specific terms of the subscription receipts and may include, but are not limited to, any of the following:

- the designation and aggregate number of subscription receipts offered;
- the price at which the subscription receipts will be offered;
- the currency or currencies in which the subscription receipts will be offered;
- the designation, number and terms of the common shares, warrants or combination thereof to be received by holders of subscription receipts upon satisfaction of the release conditions, and the procedures that will result in the adjustment of those numbers;
- the conditions (the “**Release Conditions**”) that must be met in order for holders of subscription receipts to receive for no additional consideration common shares, warrants or a combination thereof;
- the procedures for the issuance and delivery of common shares, warrants or a combination thereof to holders of subscription receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of subscription receipts upon delivery of the common shares, warrants or a combination thereof upon satisfaction of the Release Conditions (e.g., an amount equal to dividends declared on common shares by the Company to holders of record during the period from the date of issuance of the subscription receipts to the date of issuance of any common shares pursuant to the terms of the Subscription Receipt Agreement);
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of subscription receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold common shares, warrants or a combination thereof pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;

- if the subscription receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commission in connection with the sale of the subscription receipts;
- procedures for the refund by the Escrow Agent to holders of subscription receipts of all or a portion of the subscription price for their subscription receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of subscription receipts in the event this Prospectus, the Prospectus Supplement under which subscription receipts are issued, or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of the Company to purchase the subscription receipts in the open market by private agreement or otherwise;
- whether the Company will issue the subscription receipts as global securities and, if so, the identity of the depositary for the global securities;
- whether the Company will issue the subscription receipts as bearer securities, registered securities or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms attaching to the subscription receipts;
- the identity of the Escrow Agent;
- whether the subscription receipts will be listed on any exchange;
- material Canadian federal tax consequences of owning the subscription receipts; and
- any other terms of the subscription receipts.

The holders of subscription receipts will not be shareholders of the Company. Holders of subscription receipts are entitled only to receive common shares, warrants or a combination thereof on exchange of their subscription receipts, plus any cash payments provided for under the Subscription Receipt Agreement, if the Release Conditions are satisfied. If the Release Conditions are not satisfied, the holders of subscription receipts shall be entitled to a refund of all or a portion of the subscription price therefor and all or a portion of the pro rata share of interest earned or income generated thereon, as provided in the Subscription Receipt Agreement.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the subscription receipts that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the subscription receipts described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such subscription receipts.

### **Description of Units**

The Company may issue units comprised of one or more of the other securities described in this Prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security

included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement, if any, under which a unit is issued may provide that the securities comprising the unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms and provisions of each issue of units will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of units offered;
- the price at which the units will be offered;
- if other than Canadian dollars, the currency or currency unit in which the units are denominated;
- the terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- the number of securities that may be purchased upon exercise of each unit and the price at which and currency or currency unit in which that amount of securities may be purchased upon exercise of each unit;
- any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units; and
- any other material terms, conditions and rights (or limitations on such rights) of the units.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the units that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the units described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such units.

### **Description of Debt Securities**

The debt securities will be issued under one or more indentures, in each case between the Company and a trustee determined by the Company in accordance with applicable laws. A copy of any such trust indenture will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

The debt securities will be direct obligations of the Company and may be guaranteed by one or more subsidiaries of the Company. The debt securities may be senior or subordinated indebtedness of the Company and may be secured or unsecured, all as will be described in the relevant Prospectus Supplement.

The Prospectus Supplement relating to any debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

- the designation of the debt securities;
- any limit upon the aggregate principal amount of the debt securities;
- the date or dates on which the principal and any premium of the series of the debt securities is payable;

- the rate or rates at which the series of the debt securities shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which a record, if any, shall be taken for the determination of holders to whom such interest shall be payable and/or the method or methods by which such rate or rates or date or dates shall be determined;
- the authorized denominations of the debt securities;
- the right, if any, of the Company to redeem the series of the debt securities, in whole or in part, at its option and the period or periods within which, the price or prices at which and any terms and conditions upon which, the series of the debt securities may be so redeemed, pursuant to any sinking fund or otherwise;
- the obligation, if any, of the Company to redeem, purchase or repay the series of the debt securities pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which, the period or periods within which, the date or dates on which, and any terms and conditions upon which, the series of the debt securities shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;
- whether and under what circumstances the series of the debt securities will be convertible into or exchangeable for securities of the Company;
- any terms for subordination of the debt securities;
- whether the debt securities will be secured by any assets or guaranteed by any subsidiaries of the Company;
- any events of default or covenants with respect to the debt securities;
- the currency or currencies in which the series of the debt securities are issuable;
- any trustees, depositaries, authenticating or paying agents, transfer agents or registrars or any other agent with respect to the series of the debt securities; and
- any other material terms and conditions of the series of the debt securities.

If any debt securities being offered will be guaranteed by one or more subsidiaries of the Company, then: (a) the Prospectus Supplement relating to such offering will include the credit supporter disclosure about the guarantors required by section 12.1 of Form 44-101F1 or, if applicable, will disclose that the Company is relying on an exemption in item 13 of Form 44-101F1 from providing such credit supporter disclosure; and (b) the Company will file with the Prospectus Supplement relating to such offering any undertaking in respect of credit supporter disclosure required by paragraph 4.2(a)(ix) of NI 44-101, which undertaking may be to provide disclosure in respect of the Company and its subsidiaries similar to the disclosure required under section 12.1 of Form 44-101F1.

### **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided in the applicable Prospectus Supplement(s) with respect to any issuance and sale of debt securities pursuant to this Prospectus.

## DENOMINATIONS, REGISTRATION AND TRANSFER

The securities will be issued in fully registered form without coupons attached in either global or definitive form and in denominations and integral multiples as set out in the applicable Prospectus Supplement. Other than in the case of book-entry only securities, securities may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed) in the city specified for such purpose at the office of the registrar or transfer agent designated by the Company for such purpose with respect to any issue of securities referred to in the Prospectus Supplement. No service charge will be made for any transfer, conversion or exchange of the securities, but we may require payment of a sum to cover any transfer tax or other governmental charge payable in connection therewith. Such transfer, conversion or exchange will be effected upon such registrar or transfer agent being satisfied with the documents of title and the identity of the person making the request. If a Prospectus Supplement refers to any registrar or transfer agent designated by the Company with respect to any issue of securities, we may at any time rescind the designation of any such registrar or transfer agent and appoint another in its place or approve any change in the location through which such registrar or transfer agent acts.

In the case of book-entry only securities, a global certificate or certificates representing the securities will be held by a designated depository for its participants. The securities must be purchased or transferred through such participants, which includes securities brokers and dealers, banks and trust companies. The depository will establish and maintain book-entry accounts for its participants acting on behalf of holders of the securities. The interests of such holders of securities will be represented by entries in the records maintained by the participants. Holders of securities issued in book-entry only form will not be entitled to receive a certificate or other instrument evidencing their ownership thereof, except in limited circumstances. Each holder will receive a customer confirmation of purchase from the participants from which the securities are purchased in accordance with the practices and procedures of that participant.

## PLAN OF DISTRIBUTION

Patriot One may sell the securities to or through underwriters or dealers, and also may sell securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the securities and the proceeds to the Company from the sale of the securities. Only those underwriters, dealers or agents named in a Prospectus Supplement will be the underwriters, dealers or agents in connection with the securities offered thereby.

The securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions deemed to be “at the market distributions” as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the TSX or other existing markets for the securities. Additionally, this Prospectus and any Prospectus Supplement may also cover the initial resale of the securities purchased pursuant thereto. The prices at which the securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company.

In connection with any offering of securities, other than an “at-the-market distribution”, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the securities offered

at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

**Unless otherwise specified in a Prospectus Supplement, there is no market through which the Company's warrants, units, subscription receipts, or debt securities may be sold and you may not be able to resell any such securities purchased under this Prospectus or any Prospectus Supplement. Unless otherwise specified in the applicable Prospectus Supplement, the securities (excluding any common shares) will not be listed on any securities exchange. This may affect the pricing of such securities on the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

In connection with the sale of securities, underwriters, dealers and agents may receive compensation from the Company or from purchasers of the securities from whom they may act as agents in the form of discounts, concessions or commissions. Any such commissions will be paid out of the Company's general funds. Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters and any discounts or commissions received by them from the Company and any profit on the resale of securities by them may be deemed to be underwriting discounts and commissions under applicable securities legislation.

Underwriters, dealers and agents who participate in the distribution of the securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Those underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

#### **CERTAIN INCOME TAX CONSIDERATIONS**

Owning or holding any of the Company's securities may subject you to tax consequences in Canada and elsewhere.

Although the applicable Prospectus Supplement may describe certain Canadian federal income tax consequences of the acquisition, ownership and disposition of any securities offered under this Prospectus by an initial investor, the Prospectus Supplement may not describe these tax consequences fully. You should consult your own tax advisor with respect to your particular circumstances.

#### **AUDITOR, TRANSFER AGENT, REGISTRAR AND WARRANT AGENT**

The external auditor of the Company is Davidson & Company LLP, Chartered Professional Accountants, located at 1200 – 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, British Columbia, V7Y 1G6.

The registrar and transfer agent of the Company is TSX Trust Company located at Suite 2700, 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9.

#### **INTERESTS OF EXPERTS**

The annual financial statements have been audited by Davidson & Company LLP, Chartered Professional Accountants, 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

The Company's public filings are available on the System for Electronic Document Analysis and Retrieval, or SEDAR, at [www.sedar.com](http://www.sedar.com). Unless specifically incorporated by reference herein, documents filed or furnished by the Company on SEDAR are neither incorporated in nor a part of this Prospectus.

### PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a Prospectus, the accompanying Prospectus Supplement relating to securities purchased by a purchaser and any amendment thereto. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or damages if the Prospectus, the accompanying Prospectus Supplement relating to securities purchased by a purchaser and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

Original purchasers of warrants (if offered separately) and subscription receipts will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such warrant and subscription receipt, as the case may be. The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the warrant or subscription receipt, as the case may be, the amount paid upon conversion, exchange or exercise upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

Original purchasers are further advised that in certain provinces or territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

**CERTIFICATE OF PATRIOT ONE TECHNOLOGIES INC.**

Dated: October 26, 2021

This preliminary short form prospectus, together with the documents incorporated herein by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement as required by the securities legislation of all of the provinces and territories of Canada, except the province of Québec.

(signed) “*Peter Evans*”

(signed) “*Karen Hersh*”

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**Peter Evans**  
Chief Executive Officer

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**Karen Hersh**  
Chief Financial Officer

**On behalf of the Board of Directors**

(signed) “*Peter van der Gracht*”

(signed) “*John Gillies*”

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**Peter van der Gracht**  
Director

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**John Gillies**  
Director