

Defense Technologies International Corp. and Subsidiary
Consolidated Balance Sheets
(Unaudited)

	April 30,	
	2025	2024
ASSETS		
Current assets:		
Cash	\$ 1,493	\$ 171
Inventory	7,599	7,599
Total current assets	9,092	7,770
Total assets	\$ 9,092	\$ 7,770
Current liabilities:		
Accounts payable and accrued expenses	\$ 80,582	\$ 386,003
Accrued license agreement payment	12,500	87,500
Accrued interest and fees payable	201,016	178,500
Customer deposits	--	40,375
Derivative liabilities	24,479	37,211
Convertible notes payable, net of discount	185,762	279,085
Payables – related parties	627,922	1,191,708
Notes payable	507,118	20,042
Stock payable	24,000	--
Notes payable- related party	125,287	150,020
Total current liabilities	1,788,666	2,370,132
Total liabilities	1,788,666	2,370,132
Commitments and contingencies		--
Stockholders' deficit		
Convertible preferred stock, \$0.0001 par value; 20,000,000 shares authorized:		
Series A 2,535,135 and 2,535,135 shares issued and outstanding, respectively	253	253
Series B 1,100,254 and 1,860,636 shares issued and outstanding, respectively	110	186
Common stock, \$0.0001 par value; 600,000,000 shares authorized, 34,147,891 and 9,729,878 shares issued and outstanding, respectively,	3,416	974
Additional paid-in capital	16,324,169	15,067,580
Accumulated deficit	(17,780,676)	(17,116,309)
Total	(1,452,728)	(2,047,316)
Non-controlling interest	(326,846)	(315,046)
Total stockholders' deficit	(1,799,574)	(2,362,362)
Total liabilities and stockholders' deficit	\$ 9,092	\$ 7,770

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

Defense Technologies International Corp. and Subsidiary
Consolidated Statements of Operations
(Unaudited)

	Years Ended April 30,	
	2025	2024
Revenue	\$ --	\$ 49,012
Cost of goods	--	24,405
Gross Margin	--	24,607
Operating expenses:		
Consulting fees	509,292	456,137
Development	--	321
General and administrative	646,631	174,685
Total operating expenses	1,155,923	631,143
Loss from operations	(1,155,923)	(606,536)
Other income (expense):		
Gain (loss) on notes payable	(250,000)	35,562
Gain (loss) on AP revaluation	40,375	40,000
Interest expense including penalty and debt discount	(37,157)	(31,783)
Gain (loss) on derivative liabilities	12,732	(13,009)
Gain (loss) on extinguishment of debt	773,2231	--
Total other income (expense)	509,181	30,770
Gain(loss) before income taxes	(646,742)	(575,766)
Provision for income taxes	--	--
Net gain (loss)	(646,742)	(575,766)
Non-controlling interest in net loss of consolidated subsidiary	11,799	16,001
Net gain (loss) attributed to the Company	\$ (634,943)	\$ (559,755)
Net loss per common share – basic and diluted	\$ (0.02)	\$ (0.10)
Weighted average shares outstanding – basic and diluted	28,821,122	5,641,917

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

Defense Technologies International Corp. and Subsidiary
Consolidated Statements of Stockholders' Deficit
For the Years Ended April 30, 2025 and 2024
(Unaudited)

	Preferred stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Non-Controlling Interest	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance at April 30, 2023	4,839,616	483	1,803,042	181	14,905,851	(16,527,130)	(299,035)	(1,919,650)
Common stock issued for cash	--	--	200,000	20	9,980	--	--	10,000
Common stock issued for convertible debt	--	--	1,262,617	126	25,870	--	--	25,996
Common stock issued for B preferred shares conversion	(139,019)	(13)	1,380,191	138	(122)	--	--	3
Common stock issued for note payable	--	--	685,825	69	34,223	--	--	34,292
Common stock issued for service	--	--	200,000	20	5,980	--	--	6,000
Common stock issued for conversion of A shares	(390,234)	(39)	3,902,340	390	(351)	--	--	--
Preferred shares issued to related parties	85,000	8	--	--	15,131	--	--	15,139
Common stock issued for D share conversion	--	--	295,863	30	(30)	--	--	--
Deemed dividend on preferred shares	--	--	--	--	29,424	(29,424)	--	--
Retirement of derivative at conversion	--	--	--	--	41,624	--	--	41,624
Net loss	--	--	--	--	--	(559,755)	(16,011)	(575,766)
Balance at April 30, 2024	4,396,363	439	9,729,878	974	15,067,580	(17,116,309)	(315,046)	(2,362,362)
Common issued stock for service	--	--	850,000	85	54,915	--	--	55,000
Common stock for B preferred share conversion	--	--	1,250,000	125	62,375	--	--	62,500
Common stock issued for AP -related party	--	--	10,000,000	1,000	694,000	--	--	695,000
Preferred shares issued for AP	213,314	22	--	--	881,309	--	--	881,331
Common stock issued for A shares conversion	(1,068,686)	(107)	10,686,860	1,069	(962)	--	--	--
Common stock issued for D share conversion	(32)	--	1,631,143	163	(164)	--	--	--
B preferred shares issued for AP- related party	94,991	9	--	--	329,922	--	--	329,931
Gain on debt extinguishment	--	--	--	--	(773,231)	--	--	(773,2331)
Stock based compensation	--	--	--	--	(21,000)	--	--	(21,000)
Deemed dividend on preferred shares	--	--	--	--	29,424	(29,424)	--	--
Net loss	--	--	--	--	--	(634,943)	(11,800)	(646,743)
Balance at April 30, 2025	3,635,950	\$ 363	34,147,881	\$3,416	\$16,324,169	\$(17,780,676)	\$ (326,846)	\$(1,779,574)

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

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

	2025	2024
Cash flows from operating activities:		
Net gain (loss)	\$ (646,743)	\$ (575,766)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation		--
Shares issued for service	58,000	6,000
Amortization of debt discount and financing fees	9,677	--
(Gain) loss on derivative liabilities	(12,732)	13,009
Preferred shares issued for service – related party	--	15,138
Gain on debt settlement	(773,231)	--
Change in operating assets and liabilities:		
(Increase) decrease in inventory	--	26,913
Increase in accounts payable and accrued expense	526,510	207,019
Customer deposits	(40,375)	
Prepaid	--	10,000
Increase in payables – related parties	561,144	281,184
Net cash used in operating activities	(417,750)	(16,503)
Cash flows from financing activities:		
Common stock issued for cash	--	10,000
Proceeds from notes payable- related party	1,100	16,370
Proceeds from convertible notes payable, net	--	20,000
Proceeds from notes payable	430,805	--
Repayment of notes payable	(25,833)	(30,500)
Net cash provided by financing activities	419,072	15,870
Net increase (decrease) in cash	1,322	(633)
Cash at beginning of the year	171	804
Cash at end of the year	\$ 1,493	\$ 171
Supplement Disclosures		
Interest paid	\$ --	\$ --
Income tax paid	\$ --	\$ --
<u>Non-Monetary Transactions</u>		
Interest accrued on preferred shares	--	\$ 2,068
Common stock issued for service	\$ 55,000	--
Common stock issued for convertible debt	\$ 62,500	\$ 25,996
Common stock issued for accrued expense – related party	\$ 695,000	--
Retirement of derivative liability on debt conversion	--	\$ 41,624
Preferred shares issued for payables	\$ 881,321	--
Preferred shares issued for accrued liabilities – related party	\$ 329,931	--
Preferred shares issued for service – related party	--	\$ 15,139

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

Defense Technologies International Corp. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended April 30, 2025 and 2024
(Unaudited)

NOTE 1 - NATURE OF BUSINESS AND CONTINUED OPERATIONS

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

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

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

On June 28, 2022, the Company received approval for a reverse split of its common shares of 1:500. As a result of the reverse split all common shares in the 10-K are restated with the number of shares effected by the reverse.

Going Concern

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to a going concern. Through April 30, 2025, the Company had no revenue, has accumulated deficit of \$17,780,676 and a working capital deficit of \$1,779,574 and expects to incur further losses in the development of its business, all of which cast substantial doubt about the Company's ability to continue as a going concern. Management plans to continue to provide for the Company's capital needs during the year ending April 30, 2025 by issuing debt and equity securities and by the continued support of its related parties. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. There is no assurance that funding will be available to continue the Company's business operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Recent Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No 2020-06 Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging-Contracts in Entity’s Own Equity (Subtopic 815-40), Accounting for Convertible Instruments and Contract’s in an Entity’s own Equity. The ASU simplifies accounting for convertible instruments by removing major separation models required under GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it. The ASU simplifies the diluted net income per share calculation in certain areas. The ASU is effective for annual and interim periods has been amended for small businesses to beginning after December 15, 2023 as early adoption was permitted for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. The Company recognizes there will be an impact on how conversion is calculated which may require recognitions of gains or losses. However, the Company believes, through their evaluation, there is no material impact this new guidance will have on its financial statements.

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

Revenue Recognition

In April 2016, the FASB issued ASU 2016–10 Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing. The amendments in this Update do not change the core principle of the guidance in Topic 606. Rather, the amendments in this Update clarify the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. Topic 606 includes implementation guidance on (a) contracts with customers to transfer goods and services in exchange for consideration and (b) determining whether an entity’s promise to grant a license provides a customer with either a right to use the entity’s intellectual property (which is satisfied at a point in time) or a right to access the entity’s intellectual property (which is satisfied over time). The amendments are intended to render more detailed implementation guidance with the expectation to reduce the degree of judgement necessary to comply with Topic 606.

ASC Topic 606 prescribes a new five-step model entities should follow in order to recognize revenue in accordance with the core principle. These five steps are:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfied the performance obligations.

The Company has one revenue stream, of which the revenue is recognized in accordance to the five steps included in Topic 606. The revenue stream is the sale of finished screening units.

Revenue for the sale of the screening units is both directly to end users and through the distributor and is recognized upon the shipment of the unit from the Company to the end customer.

Consolidation and Non-Controlling Interest

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

The non-controlling interest in PSSI, representing 10,883 common shares, or 23.72%, was acquired by several individuals and entities, including related parties, in exchange for services valued at \$6,100 and the extinguishment of Company accounts payable – related parties with a book value of \$9,835.

Basic and Diluted Net Loss per Share

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

As of April 30, 2025, convertible debt and related accrued interest payable plus conversion of A, B and D preferred shares are convertible into 36,359,490 shares of the Company’s common stock.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes*. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Use of Estimates

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

Financial Instruments

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

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

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

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

As of April 30, 2025 and 2024, the Company believes the amounts reported for cash, payables, accrued liabilities and amounts due to related parties approximate their fair values due to the nature or duration of these instruments.

Liabilities measured at fair value on a recurring basis were estimated as follows at April 30, 2025 and 2024:

	Total	Level 1	Level 2	Level 3
2024				
Derivative liability	\$ 37,211	\$ --	\$ --	\$ 37,211
Total liability measured at fair value	\$ 37,211	\$ --	\$ --	\$ 37,211
2025				
Derivative liability	\$ 24,479	\$ --	\$ --	\$ 24,479
Total liability measured at fair value	\$ 24,479	\$ --	\$ --	\$ 24,479

Derivative Liabilities

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

Non-Monetary Transactions

All issuances of the Company's common stock for non-cash consideration have been assigned a dollar amount equaling either the market value of the shares issued, or the value of consideration received

whichever is more readily determinable. The majority of the non-cash consideration received pertains to services rendered by consultants and others and has been valued at the market value of the shares issued.

Stock-Based Compensation

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

Cash and Cash Equivalents

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

Inventory

Inventories are stated at the lower or cost of market using the first-in; first-out (FIFO) cost method of accounting. The inventory consists of raw materials used to make products, work in progress of zero and finished goods for sale with a total value of inventory after impairment of \$7,599.

Equipment

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

NOTE 3 – LICENSE AGREEMENT

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

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

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

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

The Company capitalized the costs to acquire the License Agreement, including the \$25,000 initial licensing fee and the estimated value of \$353,600 of the 5 shares of the Company's common stock issued on November 10, 2016 to the CCS investors, which value was based on the closing market price of the Company's common stock on the date of the Definitive Agreement. The Company has recorded a current liability of \$87,500 in its consolidated balance sheet as of April 30, 2024 and \$12,500 as of April 30, 2025. The decrease in amount owed from year 2025 over 2024 is due to payment in the form of preferred shares during the fiscal year ended April 30, 2025. Once sales of products based on the CCS technology begin, the Company will amortize the capitalized costs over the estimated life of the license agreement as determined by the legal life of patents issued.

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

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

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

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

NOTE 4 - RELATED PARTY TRANSACTIONS

Payables – Related Parties

Management and administrative services are currently compensated as per a Service Agreement between the Company and its Chief Executive Officer and Director executed on April 25, 2016 and a Service Agreement with the subsidiary PSSI executed on January 12, 2017, a Service Agreement between the Company and a Director executed on May 20, 2016, and an Administration Agreement with a related party executed on March 15, 2011 and renewed on May 1, 2017 and renewed in August 21, 2020 plus the assumption of a Service Agreement with the subsidiary PSSI assumed on January 12, 2017 and renewed on August 21, 2020, whereby the fee is based on services provided and invoiced by the related parties on a monthly basis and the fees are paid in cash when possible or with common stock. The Company also, from time to time, has some of its expenses paid by related parties with the intent to repay. These types of

transactions, when incurred, result in payables to related parties in the Company's consolidated financial statements as a necessary part of funding the Company's operations.

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

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

On May 1, 2022, the Company entered into a loan agreement with EMAC Handels AG for short term loans up to \$100,000. The loans bear interest at 6% per annum. As of April 30, 2025 the outstanding balance on the loan agreement was \$106,237 plus accrued interest.

During the year ended April 30, 2023, the Company entered into a loan agreement with Star Anchor, a related party, for short term loans. The loans bear interest at 6% per annum. As of April 30, 2025, the outstanding balance on the loan agreement was \$19,050 plus accrued interest.

During the year ended April 30, 2024, the Company issued 85,000 series B preferred shares to a related party with a value of \$15,138.

During the year ended April 30, 2024, the Company issued 3,902,340 shares of common stock for the conversion of 390,234 of series A preferred shares to a related party.

During the year ended April 30, 2024 the Company issued 685,825 shares of common stock with a value of \$34,291 for notes payable.

During the year ended April 30, 2024 the Company issued 10,686,860 shares of common stock for the conversion of 1,068,686 of Series B preferred shares.

During the year ended April 30, 2025 the Company issued 10,000,000 shares of common stock with an aggregate value of \$695,000 for the payment of related party debt. As part of the conversion the Company recognized a loss on notes of \$295,000.

During the year ended April 30, 2025 the Company issued 94,991 shares of series B preferred with a value of \$367,431 to 2 related parties for accrued liabilities.

As of April 30, 2025 and 2024, the Company had payable balances due to related parties totaling \$ 627,922 and \$1,191,708, respectively, which resulted from transactions with shareholders, officers and directors of the Company.

NOTE 5 - NOTES PAYABLE

On March 5, 2018, the Company subsidiary PSSI entered into a note agreement with Premium Marketing Associates, LLC for \$25,000. The funds were designated for use in a marketing agreement with the Edward

Fitzgerald Group for raising funds for PSSI. The note was to be repaid from investment fund generated by the Fitzgerald group plus 15% of the funds generated are paid to the investor.

On July 18, 2018, the Company entered into a promissory note of \$114,226.26 with interest rate of 8% per annum with Haynie & Company the Company's former auditors. Under the terms of the agreement commencing August 15, 2018 the Company is to pay Haynie \$5,000 per month. In addition, the Company shall pay the noteholder 20% of any funding event of private or public equity. As of April 30, 2024 the Company owed the note holder \$20,042 plus interest. As of April 30, 2025 the note is in default.

On May 1, 2022, the Company entered into a loan agreement with EMAC Handels AG for short term loans up to \$100,000. The loans bear interest at 6% per annum. As April 30, 2025 the outstanding balance on the loan agreement was \$117,227 plus accrued interest.

During the year ended April 30, 2023, the Company entered into a loan agreement with Star Anchor for short term loans. The loans bear interest at 6% per annum. As of April 30, 2025, the outstanding balance on the loan agreement was \$19,050 plus accrued interest.

On July 10, 2024 the Company issued a promissory note for \$50,000, The note matures in one year from issuance and bears interest at 10% per annum. The note has an initial discount of \$10,000 and is not convertible.

On December 13, 2024 the Company issued a promissory note to Mayday Management Inc, for \$12,500 plus interest and cost of \$845.83. The note is due on February 10, 2025.

On December 26, 2024 the Company issued a promissory note for \$50,000. The note matures July 11, 2025. The note has an initial discount of \$10,000 and is not convertible.

On December 13, 2024 the Company issued a promissory note for \$12,000. The note matures July 11, 2025. The note has an initial discount of \$2,000 and is not convertible.

On January 7, 2025 the Company issued a promissory note for \$50,000. The note matures July 11, 2025. The note has an initial discount of \$10,000 and is not convertible

On January 21, 2025 the Company issued a promissory note for \$43,500. The note matures July 11, 2025. The note has an initial discount of \$8,500 and is not convertible

On February 18, 2025 2025 the Company issued a promissory note for \$105,000. The note matures July 11, 2025. The note has an initial discount of \$15,000 and is not convertible

As of April 30, 2025 and 2024, the outstanding balances of notes payable was \$507,118 and \$20,042, respectively.

NOTE 6 - CONVERTIBLE DEBT

On March 10, 2016, the Company entered into a convertible promissory note for \$17,000 with ACM Services GmbH, which bears interest at an annual rate of 6% and is convertible into shares of the Company's common stock at \$25 per share. The Company recorded a debt discount and a beneficial conversion feature of \$17,000 at the inception of the note. As of April 30, 2025 the balance of the notes was \$7,000 plus interest.

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

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

On October 4, 2018, the Company entered into an agreement with RAB Investments AG to consolidate all RAB outstanding notes issued by the Company prior to October 31, 2018. Under the terms of the agreement the Company agreed to accept a six percent interest to be calculated on all the notes since their inception. The agreement resulted in a new note for \$330,626 which included the additional interest and retired the original notes. The Company issued shares of series A preferred with a value of \$ 25,000 for payment against the convertible note. On April 28, 2023, the Company issued 145,000 shares of common stock with a value of \$7,250 for payment against the note.

During the year ended April 30, 2025 the Company issued 10,000,000 with a value of \$695,000 for the payment of related party debt. As part of the conversion the Company recognized a loss on notes of \$295,000. As of April 30, 2025, the outstanding balance of the notes were \$197,085 plus interest.

During the year ended April 30, 2024, the Company issued 1,262,617 shares of common stock in the conversion of \$25,996 convertible notes and accrued interest.

As of April 30, 2025, and April 30, 2024, the convertible debt outstanding, net of discount, was \$185,762

NOTE 7: FAIR VALUE MEASUREMENTS AND DERIVATIVE LIABILITIES

As defined in (Financial Accounting Standards Board ASC 820), fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilized the market data of similar entities in its industry or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based on the observability of those inputs. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy are as follows:

- | | |
|-----------|--|
| Level 1 – | Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities. |
| Level 2 – | Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date and includes those financial instruments |

that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.

As of April 30, 2025, the Company believes the amounts reported for cash, payables, accrued liabilities and amounts due to related parties approximate their fair values due to the nature or duration of these instruments.

The following table represents the change in the fair value of the derivative liabilities during the year ended April 30, 2025

	Level 1	Level 2	Level 3
Balance at April 30, 2024	\$ --	\$ --	\$ 37,211
Change in fair value of derivative liability	--	--	(12,732)
Balance at April 30, 2025	\$ --	\$ --	\$ 24,479

The estimated fair value of the derivative liabilities at April 30, 2025 was calculated using the Binomial Lattice pricing model with the following assumptions:

Risk-free interest rate	4.00%
Expected life in years	0.10
Dividend yield	0%
Expected volatility	228.00%

NOTE 7 - EQUITY

Preferred Stock

The Company has 20,000,000 shares of \$0.0001 par value preferred stock authorized and has designated a Series A, a Series B and a series C preferred stock and a series D preferred stock. The Company has authorized 5, 000,000 series A and B shares each plus 1,500,000 each of series C and D preferred shares. Each share of the Series A preferred stock is convertible into ten common shares and carries voting rights on the basis of 100 votes per share. Each share of the Series B preferred stock is convertible into ten common shares and carries no voting rights. Each of the Series C preferred shares are non-voting and are convertible to common stock as a “Blank Check” designation with terms and conditions as set by the board of directors. Each of the series D preferred shares are non-voting and may be converted into common shares as a Blank Check” designation with the terms and conditions as set forth by the board of directors.

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

During the year ended April 30, 2024, the Company issued 85,000 series B preferred shares to a related party with a value of \$15,139.

During the year ended April 30, 2025 the Company issued 10,686,860 shares of common stock for the conversion of 1,068,686 of Series B preferred shares.

During the year ended April 30, 2025 the Company issued 213,314 shares of series B preferred shares to settle \$843,831 for accrued payables. The result of this issuance was a gain on debt of approximately \$773,231.

During the year ended April, 2025 the Company issued 850,000 shares of common stock with a value of \$55,000 for the payment of consulting fees.

During the year ended April 30, 2025 the Company issued 1,631,143 shares of common stock for the conversion of 26 shares of series D preferred shares.

During the year ended April 30, 2025 the Company issued 10,000,000 shares with an aggregate value of \$695,000 for the payment of related party debt. As part of the conversion the Company recognized a loss on notes of \$295,000.

During the year ended April 30, 2025 the Company issued 94,991 shares of series B preferred with a value of \$367,431 to 2 related parties for accrued liabilities.

As of April 30, 2025 the Company has 3,635,949 shares of preferred stock consisting of 2,535,135 Series A shares, 1,100,254 Series B shares and 560 Series D preferred shares issued and outstanding. The conversion price for the 560 series D shares issued is \$0.50 or 80% of the lowest trading price 20 days prior to conversion.

Common Stock:

The Company has 400,000,000 shares of \$0.0001 par value common stock authorized. During the year ended April 30, 2022 the Company completed a reverse split of one share for each 500 shares. The presentation of the common shares are retroactive in the number of shares outstanding for both 2022 and 2021. The reverse resulted in a decrease in common stock and an increase in paid in capital.

During the year ended April 30, 2024, the Company issued 200,000 shares of common stock with a value of \$10,000 for cash.

During the year ended April 30, 2024 the Company issued 1,262,617 shares of common stock with a value of \$25,996 for the conversion of convertible debt.

During the year ended April 30, 2024 the Company issued 1,380,191 shares of common stock for the conversion of series B preferred shares.

During the year ended April 30, 2024 the Company issued 685,825 shares of common stock with a value of \$34,291 for convertible debt.

During the year ended April 30, 2024 the Company issued 200,000 shares of common stock with a value of \$6,000 for service.

During the year ended April 30, 2024 the Company issued 3,902,340 shares of common stock for the conversion of series A preferred shares.

During the year ended April 30, 2024, the Company issued 295,863 shares of common stock for the conversion of series D preferred shares.

During the year ended April 30, 2025 the Company issued 10,686,860 shares of common stock for the conversion of 1,068,686 of Series B preferred shares.

During the year ended April 30, 2025 the Company issued 850,000 shares of common stock with a value of \$55,000 for the payment of consulting fees.

During the year ended April 30, 2025 the Company issued 1,631,143 shares of common stock for the conversion of 26 shares of series D preferred shares.

During the year ended April 30, 2025 the Company issued 10,000,000 shares with an aggregate value of \$695,000 for the payment of related party debt. As part of the conversion the Company recognized a loss on notes of \$295,000.

NOTE 8 – INCOME TAX

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

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

The Company's deferred tax assets for the Company consisted of the following as of April 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Income/(Loss) Before Income Taxes	\$ (622,211)	\$ (575,766)
Taxable income(loss)	622,211	(575,766)
Valuation Allowance		
Net Operating Losses	(8,750,137)	(8,127,926)
Tax Rate	21%	21%
Deferred Tax Assets	(1,837,529)	(1,706,854)
Valuation Allowance	<u>1,837,529</u>	<u>1,706,854</u>

Net Deferred Tax Assets	\$	<u> -- </u>	\$	<u> -- </u>
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The Company had a net loss of for the years ended April 30, 2025 and 2024, respectively. As of April 30, 2025 the Company had a net operating loss carry forward of \$8,750,137 which can be used to offset future taxable income.

A reconciliation of income taxes at the federal statutory rate to amounts provided for the years ended April 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
U.S. federal statutory rate	21%	21%
Net operating loss	(21%)	(21%)
Effective tax rate	<u> --% </u>	<u> --% </u>

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

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

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Company has the following commitments as of April 30, 2025:

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

NOTE 10 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events to determine events occurring after April 30, 2025 through the date of this report that would have a material impact on the Company's financial results or require disclosure and have determined none exist except as noted above in this Note.