Pioneering Technology Corp.

Unaudited Condensed Interim Financial Statements

For the three and six months ended March 31, 2019 and 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim consolidated statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Pioneering Technology Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and reflect management's best estimates and judgment based on information currently available. The Company's independent auditor has not performed a review of these condensed interim financial statements.

"Kevin Callahan" *"Richard Adair"*

Kevin Callahan
CEO

Richard Adair
Chair – Audit Committee

May 30, 2019

Pioneering Technology Corp.
Condensed Interim Statements of Financial Position
As at March 31, 2019
(Unaudited)
Expressed in Canadian Dollars

	Note	March 31, 2019	September 30, 2018
		$	$
ASSETS			
CURRENT ASSETS			
Cash		**2,451,859**	3,668,360
Trade and other receivable	14	**545,718**	763,887
Inventories	6	**4,863,293**	4,191,681
Prepaid expenses and deposits		**271,322**	385,857
		8,132,192	9,009,785
Property and equipment	9	**877,176**	921,510
Patents and intangibles	10	**76,707**	77,322
Deferred tax asset	13	**1,200,000**	1,200,000
TOTAL ASSETS		**10,286,075**	11,208,617
LIABILITIES			
CURRENT LIABILITIES			
Trade payables and accrued liabilities	15	**1,013,947**	1,031,153
Derivative liability		**1,521**	1,057
		1,015,468	1,032,210
Other long-term liabilities	8	**352,869**	350,810
TOTAL LIABILITIES		**1,368,337**	1,383,020
SHAREHOLDERS' EQUITY			
Common share capital	11(a)	**17,974,857**	17,974,857
Preferred shares	11(a)	**1**	1
Contributed surplus	11(c)	**3,291,904**	3,683,410
Accumulated other comprehensive loss		**(141,571)**	(342,594)
Deficit		**(12,207,453)**	(11,490,077)
TOTAL SHAREHOLDERS' EQUITY		**8,917,738**	9,825,597
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**10,286,075**	11,208,617

Commitments and Contingencies	12
Subsequent Event	18

Approved by:

"Kevin Callahan"	*"Richard Adair"*
Kevin Callahan	**Richard Adair**
Director	Director

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

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Pioneering Technology Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

For three and six months ended March 31, 2019 and March 31, 2018

(Unaudited)

Expressed in Canadian Dollars

		Six Months Ended		Three Months Ended	
	Note	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
		$	$	**$**	$
REVENUE		**2,188,418**	3,124,157	**914,544**	1,362,103
COST OF GOODS SOLD		**948,905**	1,480,510	**381,420**	656,046
GROSS PROFIT		**1,239,513**	1,643,647	**533,124**	706,057
EXPENSES					
Sales and marketing	11(c)	**851,279**	1,207,274	**359,672**	666,804
Administration	11(c)	**1,089,876**	1,250,602	**537,253**	642,905
Warehousing, distribution and warranty costs		**172,957**	138,893	**72,625**	95,677
Foreign exchange loss (gain)		**139,924**	151,986	**(59,263)**	111,033
Research and development costs	11(c)	**112,824**	198,473	**43,449**	110,541
Depreciation of property and equipment	9	**73,606**	10,710	**36,959**	5,862
Amortization of patents and intangibles	10	**13,082**	1,565	**6,734**	782
TOTAL EXPENSES		**2,453,548**	2,959,503	**997,429**	1,633,604
LOSS BEFORE OTHER INCOME, INTEREST AND GUARANTEE FEE, FAIR VALUE MOVEMENT - DERIVATIVE LIABILITY AND INCOME TAXES		**(1,214,035)**	(1,315,856)	**(464,305)**	(927,547)
Other income		**-**	39,203	**-**	34,297
Interest and guarantee fee		**(12,644)**	(11,637)	**(5,206)**	(5,270)
Fair value movement - derivative liability		**(464)**	668,905	**(1,391)**	216,933
LOSS BEFORE INCOME TAXES		**(1,227,143)**	(619,385)	**(470,902)**	(681,587)
Income tax recovery		**-**	-	**-**	-
LOSS FOR THE PERIOD		**(1,227,143)**	(619,385)	**(470,902)**	(681,587)
OTHER COMPREHENSIVE INCOME (LOSS)					
Currency translation differences (may be subsequently reclassified to net income)		**201,023**	246,319	**(93,577)**	158,552
COMPREHENSIVE LOSS FOR THE PERIOD		**(1,026,120)**	(373,066)	**(564,479)**	(523,035)
Loss per share - basic		**$ (0.02)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Loss per share - diluted		**$ (0.02)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Comprehensive loss per share - basic		**$ (0.02)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Comprehensive loss per share - diluted		**$ (0.02)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding					
Outstanding - basic		**56,041,746**	56,041,746	**56,041,746**	56,041,746
Outstanding - fully diluted		**56,041,746**	64,578,562	**56,041,746**	64,578,562

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Pioneering Technology Corp.
Condensed Interim Statements of Changes in Equity
For the three and six months ended March 31, 2019 and March 31, 2018
(Unaudited)
Expressed in Canadian Dollars

	Note	Common shares Number	Common shares Amount	Prefered shares Number	Prefered shares Amount	Contributed surplus $	Accumulated other comprehensive income $	Deficit $	Total Equity $
Balance, October 1, 2018		**56,041,746**	**$ 17,974,857**	**20,533,133**	**$ 1**	**3,683,410**	**(342,594)**	**(11,490,077)**	**9,825,597**
Shares and warrants issued	11	-	-	-	-	-	-	-	-
Warrants and stock options exercised	11	-	-	-	-	-	-	-	-
Share issuance costs and broker warrants		-	-	-	-	-	-	-	-
Stock-based compensation expense	11	-	-	-	-	118,261	-	-	118,261
Stock options forfeited	11	-	-	-	-	(509,767)	-	509,767	-
Comprehensive (loss) income for the year		-	-	-	-	-	201,023	(1,227,143)	(1,026,120)
Balance, March 31, 2019		**56,041,746**	**$ 17,974,857**	**20,533,133**	**$ 1**	**$ 3,291,904**	**$ (141,571)**	**$ (12,207,453)**	**$ 8,917,738**

	Note	Common shares Number	Common shares Amount	Prefered shares Number	Prefered shares Amount	Contributed surplus $	Accumulated other comprehensive income $	Deficit $	Total Equity $
Balance, October 1, 2017		**55,701,746**	**$ 17,838,557**	**20,533,133**	**$ 1**	**2,522,265**	**(595,357)**	**(8,184,748)**	**11,580,718**
Shares and warrants issued	11	-	-	-	-	-	-	-	-
Warrants and stock options exercised	11	340,000	122,966	-	-	(65,275)	-	-	57,691
Share issuance costs and broker warrants		-	26,019	-	-	-	-	-	26,019
Stock-based compensation expense	11	-	-	-	-	614,472	-	-	614,472
Stock options forfeited	11	-	-	-	-	-	-	-	-
Comprehensive (loss) income for the year		-	-	-	-	-	246,319	(619,385)	(373,066)
Balance, March 31, 2018		**56,041,746**	**$ 17,987,542**	**20,533,133**	**$ 1**	**$ 3,071,462**	**$ (349,038)**	**$ (8,804,133)**	**$ 11,905,834**

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

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Pioneering Technology Corp.
Condensed Interim Statements of Cash Flows
For the three and six months ended March 31, 2019 and March 31, 2018
(Unaudited)
Expressed in Canadian Dollars

		Six Months Ended		Three Months Ended
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	$	$	**$**	$
OPERATING ACTIVITIES				
Loss for the quarter	**(1,227,143)**	(619,385)	**(470,902)**	(681,587)
Items not affecting cash				
Depreciation of property and equipment	**73,606**	10,710	**36,959**	5,862
Amortization of patents and intangibles	**13,082**	1,565	**6,734**	782
Fair value movement - derivative liability	**464**	(668,905)	**1,391**	(216,933)
Unrealized foreign exchange loss (gain)	**-**	(51,783)	**-**	(33,756)
Stock-based compensation expenses	**118,261**	614,472	**50,372**	307,236
	(1,021,730)	(713,326)	**(375,446)**	(618,396)
Change in non-cash working capital balances				
Trade and other receivables	**218,169**	1,204,218	**553,458**	(195,371)
Inventories	**(671,612)**	(1,074,240)	**(95,976)**	(416,761)
Prepaid expenses and deposits	**114,535**	141,219	**16,654**	98,469
Trade payables and accrued liabilities	**(17,206)**	(511,656)	**123,170**	(151,981)
Other long-term liabilities	**2,059**	-	**(5,242)**	-
	(1,375,785)	(953,785)	**216,618**	(1,284,040)
INVESTING ACTIVITIES				
Purchase of property and equipment	**(29,272)**	(85,644)	**(11,316)**	(81,945)
Purchase of patents and intangibles	**(12,467)**	-	**(1,490)**	-
	(41,739)	(85,644)	**(12,806)**	(81,945)
FINANCING ACTIVITIES				
Shares and warrants, net of issuance costs	**-**	26,019	**-**	-
Proceeds from options and warrants exercised	**-**	57,691	**-**	(26,955)
Short-term investments	**-**	(6,735,598)	**-**	959,970
	-	(6,651,888)	**-**	933,015
NET CHANGE IN CASH DURING IN THE PERIOD	**(1,417,524)**	(7,691,317)	**203,812**	(432,970)
Foreign currency movement in cash balances	**201,023**	246,319	**(93,577)**	158,552
CASH - BEGINNING OF PERIOD	**3,668,360**	7,517,191	**2,341,624**	346,611
CASH - END OF PERIOD	**2,451,859**	72,193	**2,451,859**	72,193

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

1. NATURE OF OPERATIONS

Pioneering Technology Corp. ("Pioneering" or the "Company") is incorporated under the laws of Ontario, Canada and is an energy smart technology and consumer products company focused on developing advanced thermo-based technology solutions for opportunities that exist to improve the safety and/or energy efficiency of some of the most common household products and appliances.

Pioneering is a public company listed on the TSX Venture Exchange (TSX-V: PTE). The Company's principal place of business is located at 7-2400 Skymark Ave., Mississauga, Ontario, Canada, L4W 5K5. The Company`s website is www.pioneeringtech.com.

2. BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY

The financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

2.1 Statement of compliance

These financial statements, including comparative balances for the quarter ended March 31, 2019, have been prepared in accordance with and using policies in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), including IAS 34, Interim Financial Reporting. The financial statements were approved and authorized by the Board of Directors of the Company on May 30, 2019.

2.2 Foreign currency translation

Foreign currency transactions are translated into the functional currency using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at fair value through profit or loss ("FVTPL"). Gains and losses arising from foreign exchange are included in the statement of income (loss) and comprehensive (loss) income.

2. BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY (CONT'D)

2.3 New standards and interpretations

IFRS 9 - Financial Instruments: Classification and Measurement

In November 2009, the IASB issued IFRS 9, which covers classification and measurement as the first part of its project to replace IAS 39. In October 2010, the IASB also incorporated new accounting requirements for liabilities. The standard introduces new requirements for measurement and eliminates the current classification of loans and receivables, available-for-sale and held-to-maturity, currently in IAS 39. There are new requirements for the accounting of financial liabilities as well as a carryover of requirements from IAS 39. In 2013, the IASB also incorporated new accounting requirements for hedging and introduced a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognized and to recognize full lifetime expected losses on a timelier basis.

The effective date of this pronouncement has been set to be effective for annual periods beginning on or after January 1, 2018. The Company is in the process of reviewing the standard to determine the impact on the financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, which replaces IAS 18 - Revenues and covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, which will be October 1, 2018 for Pioneering. The Company is in the process of reviewing the standard to determine the impact on the financial statements.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), which replaces IAS 17 - Leases ("IAS 17") and related interpretations. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12-months or less or the underlying asset has a low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17 with the distinction between operating leases and finance leases being retained. IFRS 16 will be applied retrospectively for annual periods beginning on or after January 1, 2019. The Company is assessing the potential impact of this standard.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these interim condensed financial statements are consistent with those for the year-end September 30, 2018 financial statements.

Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are outlined below. Actual results may differ from those estimates.

Judgments made by management in the on-going application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed below:

- Inventory valuation – the provision for obsolescence of inventory and the estimated net realizable value;
- Trade receivable valuation – recoverability of trade receivables through the allowance for doubtful accounts (refer to note 14);
- Functional currency – judgment is required in determining the Company's functional currency based on the economic environment in which it primarily generates and expends cash;
- Stock-based compensation – the inputs used in valuing stock options;
- Valuation of derivative liability – methodology and inputs used in initial valuation and subsequent re-measurements; and
- Recovery of deferred income tax assets – assessing whether the realization of tax losses against future taxable income is probable.

4. CAPITAL MANAGEMENT

The Company defines capital as total shareholders' equity and long-term debt. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the growth and development of its operations and to bring new products to market. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company will continue to assess new opportunities and seek to acquire an interest in growth situations if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three and six months ended March 31, 2019.

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS

Financial instruments, by classification, comprise the following:

	Fair value hierarchy	**March 31, 2019**	September 30, 2018
		$	$
Financial assets			
Fair value through profit or loss, measured at fair value			
Cash	Level 1	**2,451,859**	3,668,360
Loans and receivables, recorded at amortized cost			
Trade and other receivables		**545,718**	763,887
Financial liabilities			
Fair value through profit or loss, measured at fair value			
Derivative liability	Level 2	**1,521**	1,057
Other financial liabilities measured at a amortized cost			
Trade payables and accrued liabilities		**1,013,947**	1,031,153

A summary of the Company's risk exposures as it relates to financial instruments is reflected below:

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily from trade receivable) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk relates to cash and accounts receivable and arises from the possibility that any counterparty to an instrument fails to perform. The Company has adopted a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. The Company's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. All of the Company's customers are located in either Canada or the United States. When available, the Company reviews credit bureau ratings, bank accounts and financial information for each new customer. As at March 31, 2019, the Company's maximum exposure to credit risk was the carrying value of cash and accounts receivable.

Trade and other receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade receivable. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The allowance for doubtful accounts was $5,000 and $5,000 as at March 31, 2019 and September 30, 2018, respectively.

The Company's accounts receivables are concentrated among customers in the distribution and retail industry, which may be affected by adverse economic factors impacting that industry. As at March 31, 2019, three customers accounted for greater than 10% of the Company's accounts receivable balance. In total, these customers accounted for 56% of the Company's accounts receivable balance as at March 31, 2019 (2018 – 67%).

5. FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury function in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. The Company is growing and in order to meet its short and longer-term working capital requirements, the Company will attempt, if necessary, to secure further financing to ensure that those obligations are properly discharged.

Operationally, the Company manages its liquidity by continuously monitoring forecasted and actual gross profit, expenses, and cash flows from operations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk). Market risks material to Pioneering include the following:

Foreign currency risk

Prior to the change in functional currency in a prior period, the Company was exposed to foreign currency risk as a material portion of its transacting is carried out in US dollars ("USD") and maintained USD denominated bank accounts.

Up until the change in functional currency, unfavorable changes in the exchange rate of the USD may have resulted in a significant effect on the foreign exchange gain or loss in the statement of income and comprehensive (loss) income. Subsequent to the change in functional currency, the Company is exposed to foreign currency risk on its Canadian dollar (CAD) denominated transactions and balances.

At present the Company has no plans in place to hedge its foreign exchange exposures. As the Company has expenditures and sales in both USD and CAD, the Company realizes the benefit of a partial natural hedge against this risk. A sensitivity analysis is presented below on its exposure to foreign currency risk on the CAD.

Interest rate risk

The Company invests cash, surplus to its operational needs, in investment grade short term deposit certificates issued by the Canadian chartered bank where it keeps its operating accounts. The Company is exposed to interest rate risk arising from fluctuations in the bank's prime rate related to its bank indebtedness. With all other factors held constant, a 1% fluctuation in the bank's prime rate would yield a change of $0 (2018 - +/- $0) in earnings.

5. FINANCIAL INSTRUMENTS (CONT'D)

Sensitivity analysis – foreign exchange risk

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a one-year period. The Company's operating activities are substantially denominated in both Canadian and US dollars. The Company's funds are kept in CAD and USD with a major Canadian Financial Institution.

The table below summarizes the effects on foreign exchange gains and losses as a result of a 10% change in the value of the foreign currencies against the CAD where the Company has significant exposure. The analysis assumes that other variables remain constant.

	Loss effect of a 10% increase in foreign exchange rates on translation of CAD monetary balances	Income effect of a 10% decrease in foreign exchange rates on translation of CAD monetary balances
CAD	$ (160,916)	$ 160,916

6. INVENTORIES

Inventories are comprised of finished goods only.

7. BANK INDEBTEDNESS

The company has a $500,000 revolving demand facility with a Canadian chartered bank bearing interest at the lender's prime rate plus 2% per annum. The Company has provided a general security to the lender over its personal property. No amounts have been drawn on the facility at quarter-end.

8. OTHER LONG TERM LIABILITIES

The Company has a liability for landlord incentive of $391,848 resulting from the recognition of all tenant inducements received due to the execution of the Company's new head office lease. This liability will be amortized over the 10-year life of the lease. The short-term portion of $38,979 is included in trade payable and accrued liabilities.

(Expressed in Canadian Dollars)

9. PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following:

Cost	Computer hardware and software $	Equipment small tools and moulds $	Fixtures and fittings $	Automobiles $	Leasehold improvements $	Total $
October 1, 2017	49,478	225,721	11,136	20,752	5,110	312,197
Additions	20,064	112,383	64,245	-	729,916	926,608
Disposals	-	-	-	-	-	-
October 1, 2018	69,542	338,104	75,381	20,752	735,026	1,238,805
Additions	13,770	12,799	690	-	2,013	29,272
Disposals	-	-	-	-	-	-
March 31, 2019	**83,312**	**350,903**	**76,071**	**20,752**	**737,039**	**1,268,077**

Accumulated Depreciation	Computer hardware and software $	Equipment small tools and moulds $	Fixtures and fittings $	Automobiles $	Leasehold improvements $	Total $
October 1, 2017	33,097	195,281	10,603	12,707	4,056	255,744
Depreciation	8,222	29,847	1,766	2,414	19,302	61,551
Disposals	-	-	-	-	-	-
October 1, 2018	41,319	225,128	12,369	15,121	23,358	317,295
Depreciation	9,345	17,254	9,520	845	36,642	73,606
Disposals	-	-	-	-	-	-
March 31, 2019	**50,664**	**242,382**	**21,889**	**15,966**	**60,000**	**390,901**

Carrying value	Computer hardware and software $	Equipment small tools and moulds $	Fixtures and fittings $	Automobiles $	Leasehold improvements $	Total $
October 1, 2017	16,381	30,440	533	8,045	1,054	56,453
October 1, 2018	28,223	112,976	63,012	5,631	711,668	921,510
March 31, 2019	**32,648**	**108,521**	**54,182**	**4,786**	**677,039**	**877,176**

(Expressed in Canadian Dollars)

10. PATENTS AND INTANGIBLES

Patents and intangibles are comprised of the following:

Cost	Safe-T-Sensor $	Trademarks $	Patents $	Website $	Total $
October 1, 2017	66,681	-	45,688	-	112,369
Additions	-	44,231	-	27,584	71,815
Disposals	-	-	-	-	-
October 1, 2018	66,681	44,231	45,688	27,584	184,184
Additions	-	1,003	-	11,464	12,467
Disposals	-	-	-	-	-
March 31, 2019	**66,681**	**45,234**	**45,688**	**39,048**	**196,651**

Accumulated amortization	Safe-T-Sensor $	Trademarks $	Patents $	Website $	Total $
October 1, 2017	66,681	-	35,257	-	101,938
Amortization	-	1,102	3,131	691	4,924
Disposals	-	-	-	-	-
October 1, 2018	66,681	1,102	38,388	691	106,862
Amortization	-	6,545	1,096	5,441	13,082
Disposals	-	-	-	-	-
March 31, 2019	**66,681**	**7,647**	**39,484**	**6,132**	**119,944**

Carrying value	Safe-T-Sensor $	Trademarks $	Patents $	Website $	Total $
October 1, 2017	-	-	10,431	-	10,431
October 1, 2018	-	43,129	7,300	26,893	77,322
March 31, 2019	**-**	**37,587**	**6,204**	**32,916**	**76,707**

(Expressed in Canadian Dollars)

11. SHARE CAPITAL

a) Authorized

Unlimited number of voting common shares and non-voting series 1 preferred shares that are issuable in series. The series 1 preferred shares can be redeemed, at the sole discretion of the Company, upon payment to the holder of $0.06 per preferred share (a maximum aggregate redemption price of $1,231,988) and are not entitled to dividends. The statement of changes in equity details the number and value of the common shares and series 1 preferred shares outstanding as at the reporting date.

b) Stock options plan

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the underlying directors' resolution approving the issuance and have a maximum life of five years. The plan allows for the issuance of up to 10,330,163 common shares of the Company. At March 31, 2019, the Company had 4,316,163 (September 30, 2018 - 3,616,163) stock options available for issuance.

c) Contributed surplus

Contributed surplus is comprised of the following:

	March 31, 2019	September 30, 2018
	$	$
Stock options	**3,162,392**	3,553,898
Broker warrants	**129,512**	129,512
	3,291,904	3,683,410

Stock option activity for the three months ended March 31, 2019 and 2018 were as follows:

	March 31, 2019			March 31, 2018		
		Weighted Average Exercise Price	**Number of Options**		Weighted Average Exercise Price	Number of Options
Balance, beginning of period	**$**	**0.50**	**5,239,000**	$	0.51	5,879,000
Transactions during the period						
Granted	**$**	**-**	**-**	$	-	-
Forfeited	**$**	**0.86**	**(400,000)**	$	-	-
Exercised	**$**	**-**	**-**	$	0.20	(340,000)
Outstanding, end of period	**$**	**0.47**	**4,839,000**	$	0.50	5,539,000
Exercisable, end of period	**$**	**0.42**	**4,651,500**	$	0.27	3,789,000

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (CONT'D)

c) Contributed surplus (cont'd)

The following table provides additional information about the outstanding stock options as at March 31, 2019:

	March 31, 2019			September 30, 2018		
Exercise Price	**Number of Options Outstanding**	**Weighted Average Remaining Life (Years)**	**Number of Exercisable**	Number of Options Outstanding	Weighted Average Remaining Life (Years)	Number of Exercisable
$0.15	**1,024,000**	**0.50**	**1,024,000**	1,024,000	1.00	1,024,000
$0.22	**1,890,000**	**2.00**	**1,890,000**	1,990,000	2.50	1,990,000
$0.29	**200,000**	**2.13**	**200,000**	200,000	2.62	200,000
$0.33	**300,000**	**1.86**	**300,000**	300,000	2.36	300,000
$1.07	**1,425,000**	**3.42**	**987,500**	2,025,000	3.92	1,062,500
	4,839,000	**2.10**	**4,401,500**	5,539,000	2.74	4,576,500

Stock-based compensation expense was allocated to the financial statements as follows:

	March 31, 2019	March 31, 2018
	$	$
Administration	**43,979**	332,538
Sales and marketing	**54,370**	209,644
Research and development	**19,912**	72,290
	118,261	614,472

d) Warrants

During the quarter ended March 31, 2019, no warrants (2018 – nil) were exchanged for common shares (2018 - $0.00 per share). As at March 31, 2019, 2,997,815 warrants were outstanding (2018 – 2,997,815).

(Expressed in Canadian Dollars)

12. COMMITMENTS AND CONTINGENCIES

Pioneering leases its premises under a non-cancellable operating lease that expires in July 2028. Future minimum lease payments by year, and in the aggregate, are as follows:

	$
2019	63,584
2020	156,408
2021	160,366
2022	164,340
2023	168,421
2024	172,670
2025	176,997
2026	181,369
2027	185,972
2028	158,173
	1,588,300

Under the terms of the lease, the Company is also responsible for its proportionate share of common area maintenance costs, including realty taxes.

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers and former employees. Management believes that adequate provisions have been recorded in the accounts where required. During 2016, a former supplier has commenced an action against the Company relating to a contractual dispute. The Company intends to vigorously defend itself against such claim. As at quarter-end, no provision has been recorded in connection with this claim.

13. INCOME TAXES

As at March 31, 2019, the Company has accumulated non-capital losses for income tax purposes which can be carried forward to be applied against future taxable income for income tax purposes. At March 31, 2019, the Company has not recognized $3,828,022 of the tax losses. These non-capital losses expire as follows:

	$
2027	313,370
2028	1,424,300
2029	579,685
2031	106,628
2032	813,981
2033	1,269,404
2034	854,465
2038	2,476,328
	7,838,161

(Expressed in Canadian Dollars)

14. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables are from trade receivables and customer sales and Harmonized Services Tax ("HST") receivable due from government taxing authorities. The Company held no collateral for any receivable amounts outstanding as at March 31, 2019. The following comprises trade and other receivables:

	March 31, 2019	September 30, 2018
	$	$
HST recoverable	**69,804**	102,815
Trade accounts receivable, net of allowance	**475,914**	661,072
	545,718	763,887

Trade receivables greater than 30 days are considered past due. An aging analysis of the trade receivables is as follows:

	March 31, 2019	September 30, 2018
	$	$
Less than 1 month	**435,473**	694,916
31-60 days	**50,462**	24,225
61-90 days	**48,437**	17,870
Over 90 days	**16,346**	31,876
Total trade accounts receivable	**550,718**	768,887
Less: Allowance for doubtful accounts	**5,000**	5,000
Net trade accounts receivable	**545,718**	763,887

15. TRADE PAYABLES AND ACCRUED LIABILITIES

Trade and other payables are principally comprised of amounts outstanding for trade purchases relating to products sold and for amounts relating to operating activities. The following comprises trade and accrued liabilities:

	March 31, 2019	September 30, 2018
	$	$
Trade payables	**674,198**	457,766
Other accrued liabilities	**339,749**	573,387
	1,013,947	1,031,153

The standard maturity terms of the Company's trade and other payables are 30 to 60 days.

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related party transactions and balances are as follows:

	March 31, 2019	March 31, 2018
	$	$
Type of payment:		
Key management salaries and contingent compensation	**97,250**	134,750
Value of key management stock options	**17,518**	101,899
Value of director stock options	**-**	39,335
Other	**5,500**	-
Key management compensation	**120,268**	275,984
Amounts due to related parties at quarter end	**26,292**	1,500

The amounts due to related parties are included in the trade payables and accrued liabilities. The Company defines Key Management as its CEO, CFO, COO and its Board of Directors.

17. SEGMENTED INFORMATION

The Company operates in one business segment being the development, manufacture and sale of products intended to save energy and offer consumer convenience and safety. In addition, the Company operates in only one geographical segment, Canada, although it does service its U.S. clients by shipping and invoicing from its facilities in Mississauga, Ontario. Some deliveries are routed through an independent warehouse in the United States. The breakdown of the Company's revenues by geographic areas for the periods ended March 31, 2019 and 2018 are as follows:

	March 31, 2019	March 31, 2018
Canada	**10%**	19%
United States	**90%**	81%
	100%	100%

The Company's long-lived assets are located in Canada.

18. SUBSEQUENT EVENTS

On January 23, 2019, the Company announced that it had terminated the employment of Laird Comber, Vice-President of Sales, and Wayne Zu, Director of Engineering and Manufacturing on January 9, 2019. The Company also terminated the engagement of Steph Cooper as the Company's controller on the same day.

18. SUBSEQUENT EVENTS (CONT'D)

Mr. Comber, Mr. Zu and Ms. Cooper were terminated for cause as a result of their participation in a scheme aimed at competing directly with Pioneering in the cooking fire prevention market in North America using Pioneering's confidential information, intellectual property, trade secrets, and know how. Upon discovery of this scheme, Pioneering acted promptly to protect its interests, including by terminating the employment or engagement of each of the individuals for cause and by initiating litigation against the three individuals in the Ontario Superior Court of Justice seeking appropriate remedies including damages. The litigation process is ongoing with respect to this matter.