EDGAR Submission Header Summary

Submission Form Type	10-Q
XBRL Filing	On
Use External XBRL	On
Period of Report	07-31-2016
Filer	DEFENSE TECHNOLOGIES INTERNATIONAL CORP.
CIK	0001533357
CCC	xxxxxxxx
Smaller Reporting Company (Non-Investment Companies Only)	On
Ticker Symbol	cgcc
Selected Exchanges	
Exchange	NONE
Confirming Copy	Off
Co-Registrants	
Submission Contact	
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Documents

10-Q	defense.htm
	DEFENSE TECHNOLOGIES INTERNATIONAL CORP. 10q 2016-07-31
EX-31.1	exh31_1.htm
	Section 302 Certification of Chief Executive Officer and Chief Financial Officer
EX-32.1	exh32_1.htm
	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer

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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended July 31, 2016

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________to __________

Commission File Number 000-54851

DEFENSE TECHNOLOGIES INTERNATIONAL CORP.
(Formerly Canyon Gold Corp.)

(Exact name of registrant as specified in its charter)

Nevada	**Not Applicable**
(State or jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number

4730 South Fort Apache Road, Suite 300, Las Vegas, Nevada 89147
(Address of principal executive offices)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

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

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer (Do not check if a smaller reporting company)	[ ]	Smaller reporting company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of September 14, 2016, there were 26,196,056 shares of the registrant's common stock, $0.0001 par value, outstanding

DEFENSE TECHNOLOGIES INTERNATIONAL CORP.
(Formerly Canyon Gold Corp.)

FORM 10-Q

FOR THE QUARTER ENDED JULY 31, 2016

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Defense Technologies International Corp.
(Formerly Canyon Gold Corp.)
Condensed Consolidated Balance Sheets

	July 31, 2016 (Unaudited)	April 30, 2016
ASSETS		
Current assets:		
Cash	$ 13,362	$ 23
Inventories	5,355	-
Prepaid expenses	7,875	18,169
Total current assets	26,592	18,192
Property and equipment – construction in progress	11,819	-
Intangible assets	1,437,345	-
Total assets	$ 1,475,756	$ 18,192
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 216,210	$ 150,362
Accrued interest and fees payable	365,593	63,979
Accrued interest payable – related parties	19,521	17,846
Convertible notes payable, net of discount	1,465,571	63,486
Convertible notes payable – related parties	57,050	57,050
Notes payable – related parties	79,656	79,656
Derivative liabilities	228,825	2,081,931
Payables – related parties	635,855	565,459
Total current liabilities	3,068,281	3,079,769
Total liabilities	3,068,281	3,079,769
Stockholders' deficit:		
Preferred stock, $0.0001 par value; 20,000,000 shares authorized, 1,100,000 shares issued and outstanding	110	110
Common stock, $0.0001 par value; 200,000,000 shares authorized, 24,496,056 and 21,249,676 shares issued and outstanding, respectively	2,450	2,125
Additional paid-in capital	2,117,489	1,447,968
Accumulated deficit	(3,712,574)	(4,511,780)
Total stockholders' deficit	(1,592,525)	(3,061,577)
Total liabilities and stockholders' deficit	$ 1,475,756	$ 18,192

See notes to condensed consolidated financial statements

Defense Technologies International Corp.
(Formerly Canyon Gold Corp.)
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended July 31,	
	2016	**2015**
Revenue	$ -	$ -
Expenses:		
General and administrative	513,682	71,471
Research and development	3,277	-
Exploration costs	-	1,650
Total expenses	516,959	73,121
Loss from operations	(516,959)	(73,121)
Other income (expense):		
Interest expense	(303,297)	(28,414)
Gain (loss) on derivative liability	1,498,059	(74,374)
Gain on extinguishment of debt	121,403	62,747
Total other income (expense)	1,316,165	(40,041)
Income (loss) before income taxes	799,206	(113,162)
Provision for income taxes	-	-
Net income (loss)	$ 799,206	$ (113,162)
Net income (loss) per common share:		
Basic	$ 0.03	$ (0.01)
Diluted	$ 0.01	$ (0.01)
Weighted average common shares outstanding:		
Basic	23,097,363	20,927,209
Diluted	86,411,037	20,927,209

See notes to condensed consolidated financial statements

Defense Technologies International Corp.
(Formerly Canyon Gold Corp.)
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended July 31, 2016	Three Months Ended July 31, 2015
Cash flows from operating activities:		
Net income (loss)	$ 799,206	$ (113,162)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Common shares issued for services	303,800	-
Imputed interest on convertible notes payable	563	562
Amortization of debt discount to interest expense	285,994	12,829
Debt extension penalty added to note principal	5,000	-
(Gain) loss on derivative liability	(1,498,059)	74,374
Gain on extinguishment of debt	(121,403)	(62,747)
Change in operating assets and liabilities:		
Increase in inventories	(4,955)	-
Increase in prepaid expenses	(6,000)	(2,819)
Increase in accounts payable	64,403	38,582
Increase (decrease) in accrued interest and fees payable	(17,578)	1,014
Increase in accrued interest payable – related parties	1,675	1,676
Increase in payables – related parties	13,385	63,799
Net cash provided by (used in) operating activities	(173,969)	14,108
Cash flows from investing activities:		
Cash acquired in acquisition	18,409	-
Purchase of property and equipment	(356)	-
Net cash provided by investing activities	18,053	-
Cash flows from financing activities:		
Proceeds from convertible notes payable	253,650	-
Repayment of convertible notes payable	(76,895)	(14,286)
Payment of debt issuance costs	(7,500)	-
Net cash provided by (used in) financing activities	169,255	(14,286)
Net increase (decrease) in cash	13,339	(178)
Cash at beginning of period	23	183
Cash at end of period	$ 13,362	$ 5

See notes to condensed consolidated financial statements

Defense Technologies International Corp.
(Formerly Canyon Gold Corp.)
Notes to Condensed Consolidated Financial Statements
July 31, 2016
(Unaudited)

1. Nature of Operations and Continuation of Business

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

Effective July 15, 2016, the Company completed the acquisition of 100% of the member's equity of Defense Technology Corporation, a privately held Colorado limited liability company ("DTC"). DTC is a developer of defense detection and protection products intended to improve security for military personnel, schools and other public facilities. See Note 3.

On July 20, 2011, the Company acquired 100% of the issued shares of Long Canyon Gold Resources Corp. ("Long Canyon"), a private British Columbia, Canada Corporation, incorporated on June 19, 2008, in a share for share exchange accounted for as a reverse acquisition and recapitalization. As a result, the consolidated financial statements of the Company (the legal acquirer) are, in substance, those of Long Canyon (the accounting acquirer) from the effective date of the acquisition. Long Canyon has held leases for 30 BLM mineral lease claims, situated in the west section of the new Long Canyon Gold Trend area of east central Nevada and intends to conduct exploration activities on the properties as funding permits.

Going Concern

These condensed 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 July 31, 2016, the Company has no revenues, has accumulated losses of $3,712,574 and a working capital deficit of $3,041,689 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, 2017 by issuing debt and equity securities and by the continued support of its related parties (see Note 4). The condensed 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.

2. Basis of Presentation and Summary of Significant Accounting Policies

These condensed 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.

The interim condensed consolidated financial statements have been prepared without audit in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Securities and Exchange Commission ("SEC") Form 10-Q. They do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. Therefore, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended April 30, 2016 included in its Annual Report on Form 10-K filed with the SEC.

The interim condensed consolidated financial statements included herein are unaudited; however, they contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's consolidated financial position as of July 31, 2016, the consolidated results of its operations and its consolidated cash flows for the three months ended July 31, 2016 and 2015. The results of operations for any interim period are not necessarily indicative of the results to be expected for the full fiscal year.

Consolidation

These condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, DTC (from acquisition date forward) and Long Canyon. All inter-company transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Inventories

Inventories consist of materials for use in the manufacture of DTC's products and are stated at cost, using the first in, first out ("FIFO") method.

Property and Equipment

Property and equipment consist of the costs of construction in progress of DTC's manufacturing facilities. These costs will be depreciated over their estimated useful life once manufacturing activities begin.

Intangible Assets

In accordance with Accounting Standards Codification ("ASC") 350, "Intangibles – Goodwill and Other," the Company has capitalized intangible assets acquired in the DTC acquisition (Note 3) that are used in research and development activities. Such intangible assets are considered indefinite lived until completion or abandonment of the associated research and development efforts. During the period that the assets are considered indefinite lived, they are not amortized but tested for impairment. Once the research and development efforts are completed or abandoned, the Company will determine the useful life of the assets and amortize the assets over such useful life. Research and development expenses incurred subsequent to the acquisition date are expensed.

Net Income (Loss) per Common Share

Basic net income or loss per common share is calculated by dividing the Company's net income or loss by the weighted average number of common shares outstanding during the period. Diluted net income or loss per common share is calculated by dividing the Company's net income or loss by sum of the weighted average number of common shares outstanding and the dilutive potential common share equivalents then outstanding. Potential dilutive common share equivalents consist of shares issuable upon exercise of outstanding stock options and warrants and conversion of convertible debt, using the treasury stock method and the average market price per share during the period. As of July 31, 2016, the Company had 8,479,283 potential shares issuable under outstanding options, warrants and convertible debt.

The common shares used in the computation of our basic and diluted net income (loss) per share are reconciled as follows:

	Three Months Ended July 31,	
	2016	2015
Weighted average number of shares outstanding - basic	23,097,363	20,927,209
Dilutive effect of stock options and warrants	63,313,674	-
Weighted average number of shares outstanding - diluted	86,411,037	20,927,209

Reclassifications

Certain amounts in the 2015 condensed consolidated financial statements have been reclassified to conform with the current year presentation.

3. Defense Technology Corporation Acquisition

On October 5, 2015, the Company entered into an agreement to acquire 100% of Defense Technology Corporation, a privately held Colorado limited liability company with principal offices in New Port Richey, Florida (previously defined as "DTC"). DTC is the developer of defense, detection and protection products to improve security for military personnel and schools and other public facilities.

In consideration for the acquisition, the Company will issue 4,000,000 shares of its common stock to the sole shareholder of DTC and certain of its note holders. The shares will be restricted from trading for a period of one year and will be released on a quarterly basis. Additionally, DTC will be able to earn additional Company preferred shares, Series "B" Convertible ("Series "B" Shares"), upon attaining certain milestone gross sales. The closing of the acquisition was extended to and completed on July 15, 2016. Following completion of the acquisition, DTC became a wholly owned subsidiary of the Company. The Company will use its reasonable best efforts to effectuate a spin-off of its present subsidiary, Long Canyon Gold Resources Corp., on terms to be determined.

The aggregate consideration for the acquisition is comprised of the following DTC liabilities assumed by the Company:

Notes payable	$ 1,068,000
Accrued interest payable	341,161
Accounts payable	1,445
Payables – related parties	57,011
Total	$ 1,467,617

The purchase price has been allocated as follows:

Cash	$ 18,409
Inventories	400
Property and equipment – construction in progress	11,463
Research and development intangible assets	1,437,345
Total	$ 1,467,617

4. Mineral Claims

On March 12, 2011, the Company's wholly owned subsidiary, Long Canyon, acquired a 100% interest in 30 mineral claims located in the State of Nevada. Subsequent to July 31, 2016, Long Canyon renewed the leases. The claims had previously lapsed due to late payment of the annual lease obligations. Each of the 30 claims in Section 35 is a Federal BLM unpatented lode claim, 20 acres in size and includes placer rights.

The Company is committed to pay a 3% Net Smelter Royalty on all the claims acquired by Long Canyon.

5. Related Party Transactions and Balances

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, 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, 2015, 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.

As of July 31, 2016 and April 30, 2016, the Company had payable balances due to related parties totaling $635,855 and $565,459, respectively, which resulted from transactions with these related parties and other significant shareholders.

Convertible notes payable – related parties consisted of the following at:

	July 31, 2016	April 30, 2016
Note payable to related party, no interest, convertible into common stock of the Company at $0.10 per share, imputed interest at 9% per annum	$ 25,000	$ 25,000
Note payable to related party, interest at 6%, convertible into common stock of the Company at $0.10 per share	32,050	32,050
	$ 57,050	$ 57,050

Convertible notes payable – related parties issued prior to the fiscal year ended April 30, 2014 were convertible 30 days from the first day the Company's common shares are qualified for trading on the OTC Bulletin Board, which occurred in November 2012. As of July 31, 2016, the convertible note payable – related party of $25,000 had not been converted and therefore is in default.

Notes payable – related parties are currently in default and consisted of the following at:

	July 31, 2016	April 30, 2016
Note payable to related party, with interest at 6% per annum, due September 15, 2013	$ 24,656	$ 24,656
Note payable to related party, with interest at 6% per annum, due March 8, 2014	7,500	7,500
Note payable to related party, with interest at 6% per annum, due December 5, 2013	47,500	47,500
	$ 79,656	$ 79,656

Accrued interest payable – related parties was $19,521 and $17,846 at July 31, 2016 and April 30, 2016, respectively.

In May 2016, the Company issued 350,000 of its common shares, valued at $105,000, to its Chief Executive Officer pursuant to his Service Agreement.

6. Convertible Notes Payable

Convertible notes payable consisted of the following at:

	July 31, 2016	April 30, 2016
Note payable, amended April 30, 2016, with interest at 6% per annum, convertible into common stock of the Company at $0.05 per share 90 days from demand	$ 11,000	$ 11,000
Note payable, amended April 30, 2016, with interest at 6% per annum, convertible into common stock of the Company at $0.05 per share 90 days from demand	9,000	9,000
Note payable, amended April 30, 2016, with interest at 6% per annum, convertible into common stock of the Company at $0.05 per share 90 days from demand	91,150	141,150
Note payable, amended April 30, 2016, with interest at 6% per annum, convertible into common stock of the Company at $0.05 per share 90 days from demand	14,500	14,500
Note payable, amended April 30, 2016, with interest at 6% per annum, convertible into common stock of the Company at $0.05 per share 90 days from demand	20,000	20,000
Note payable, with interest at 6% per annum, convertible into common stock of the Company at $0.05 per share	17,000	17,000
Note payable to institutional investor, with interest at 12% per annum, convertible into common stock of the Company at defined conversion price	41,000	41,000
Note payable, with interest at 6% per annum, convertible into common stock of the Company at $0.05 per share	53,650	-
Note payable to institutional investor, with interest at 10% per annum, convertible into common stock of the Company at a defined conversion price	25,000	-
Note payable to institutional investor, with interest at 8% per annum, convertible into common stock of the Company at a fixed conversion price of $0.25 per share	189,000	-
Notes payable to individuals assumed in the DTC acquisition (Note 3) with interest imputed at 8%, to be converted into 4,000,000 shares of the Company's common stock	1,068,000	-
Note payable to institutional investor repaid in July 2016	-	55,500
Note payable to institutional investor repaid in July 2016	-	39,000
Total	1,539,300	348,150
Less discount	(73,729)	(284,664)
	$ 1,465,571	$ 63,486

On April 30, 2016, the convertible notes payable with principal balances of $11,000, $9,000, $141,150, $14,500 and $20,000 were amended to establish a conversion price of $0.05 per share, interest at 6% retroactive to the original issuance date of the notes, and a conversion date of 90 days from demand of the lender. The amendments were determined to be extinguishments of the prior debt and the issuance of new debt in accordance with ASC 470-50, *Debt – Modifications and Extinguishments*, resulting in a loss on extinguishment of debt totaling $33,237. In addition, the Company recorded a debt discount and a beneficial conversion feature totaling $195,650 at the inception of the new debt.

On March 10, 2016, the Company entered into a convertible promissory note for $17,000, which bears interest at an annual rate of 6% and is convertible into shares of the Company's common stock at $0.05 per share. The Company recorded a debt discount and a beneficial conversion feature of $17,000 at the inception of the note.

On February 4, 2016, the Company entered into a convertible promissory note with an institutional investor for $41,000, which matures on February 4, 2017. The Company may repay the note at any time on or before the date that is 120 days after the date of the note. If the Company does not repay the note during the first 120 days, a one-time interest charge of 12% will be charged. After the first 120 days, the note may be prepaid by the Company with the prior written consent of the investor at 125% of the principal owed. The investor has the right, after the first 180 days of the note, to convert the note and accrued interest in whole or in part into shares of the common stock of the Company at a price per share equal to 60% (representing a discount rate of 40%) of the lowest bid price of the Company's common stock during the 60 consecutive trading days immediately preceding the date of the conversion notice. At the inception of the convertible note to institutional investor, the Company paid debt issuance costs of $2,500, a debt discount of $41,000, including an original issue discount of $3,500, a derivative liability of $78,034 related to the conversion feature, and a loss on derivative liability of $40,534. Interest expense for the amortization of the debt discount is calculated on a straight-line basis over the life of the convertible note.

On July 31, 2016, the Company entered into a convertible promissory note for $53,650, which has no defined maturity date. The note bears interest at an annual rate of 6% and is payable only on conversion into shares of the Company's common stock at $0.10 per share.

On June 8, 2016, the Company entered into a convertible promissory note with an institutional investor for $25,000, which bears interest at an annual rate of 10% and matures on December 9, 2016. The note holder has the right, after a period of 180 days of the note, to convert the note and accrued interest into shares of the common stock of the Company at a discounted price per share equal to 50% to 65% of the market price of the Company's common stock, depending upon the stock's liquidity as determined by the note holder's broker. At the inception of the convertible note, the Company paid debt issuance costs of $2,500, recorded a debt discount of $22,500, and recorded a derivative liability of $51,553 related to the conversion feature, and a loss on derivative liability of $29,053. Interest expense for the amortization of the debt discount is calculated on a straight-line basis over the life of the convertible note.

On July 18, 2016, the Company entered into a Senior Secured Convertible Promissory Note with an institutional investor for $189,000, with net proceeds to the Company of $175,000. The note bears interest at an annual rate of 8%, matures on January 17, 2017 and is convertible into common shares of the Company after six months at a fixed conversion price of $0.25 per share. In the event of default, the conversion price changes to a variable price based on a defined discount to the market price of the Company's common stock. The net proceeds were used to retire two outstanding convertible promissory notes and to provide working capital.

During the three months ended July 31, 2016, the Company issued a total of 1,829,880 shares of its common stock in the conversion of $72,605 convertible notes principal and $11,644 accrued interest payable.

During the three months ended July 31, 2016, we had the following activity in our derivative liabilities account:

Balance at April 30, 2016	$ 2,081,931
Issuance of new debt	22,500
Gain on derivative liability	(1,498,059)
Conversion of debt to shares of common stock and repayment of debt	(377,547)
Balance at July 31, 2016	$ 228,825

The estimated fair value of the derivative liabilities at July 31, 2016 was calculated using the Black-Scholes pricing model with the following assumptions:

Risk-free interest rate	0.38%
Expected life in years	0.36 - 0.52
Dividend yield	0%
Expected volatility	115.03% - 150.87%

Accrued interest and fees payable was $365,593 and $63,979 at July 31, 2016 and April 30, 2016, respectively.

7. 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 hierarch 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

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

Level 2

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

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 July 31, 2016, 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. In addition, the fair value of certain of the Company's convertible notes was not determinable since there has been no current market value for the Company's common stock. Accordingly, no beneficial conversion feature or derivative liabilities were determinable or have been recognized related to these convertible notes payable.

The convertible notes payable and related derivative liabilities are measured at fair value on a recurring basis and estimated as follows at July 31, 2016:

	Total	Level 1	Level 2	Level 3
Derivative liabilities	$ 228,825	$ -	$ -	$ 228,825
Convertible notes payable, net	1,465,571	-	-	1,465,571
Total liabilities measured at fair value	$ 1,694,396	$ -	$ -	$ 1,694,396

8. Stockholders' Deficit

The Company has 200,000,000 shares of $0.0001 par value common stock authorized.

During the three months ended July 31, 2016, the Company issued a total of 3,246,380 shares of its common stock: 1,400,000 shares for services valued at $303,800; 16,500 shares in payment of accrued fees payable of $10,325, recognizing a gain on extinguishment of debt of $4,550; and a total of 1,829,880 shares in the conversion of debt principal of $72,605 and accrued interest payable of $11,644.

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 pertaining to services rendered by consultants and others has been valued at the market value of the shares issued.

Preferred Stock

The Company has 20,000,000 shares of $0.0001 par value preferred stock authorized.

The 600,000 shares of Series A convertible preferred stock are convertible into ten common voting shares and carry voting rights on the basis of 100 votes per share with rights and preferences being decided by the Board of Directors of the Company.

The 500,000 shares of Series B convertible preferred stock are convertible into ten common voting shares and carry no voting rights.

9. Stock Options and Warrants

During the year ended April 30, 2016, the Company issued options to a consultant to purchase a total of 1,000,000 shares of the Company's common stock and warrants to a lender to purchase 68,333 shares of the Company's common stock.

During the three months ended July 31, 2016, the Company issued warrants to a lender to purchase 250,000 shares of the Company's common stock at an exercise price of $0.60 per share. The warrants vested upon grant and expire on July 17, 2018. The Company estimated the grant date fair value of the warrants at $14,365 using the Black-Scholes option-pricing model and charged the amount to debt discount.

The following assumptions were used in estimating the value of the warrants:

Risk free interest rate	.68%
Expected life in years	2.0
Dividend yield	0%
Expected volatility	137.99%

A summary of the Company's stock options and warrants as of July 31, 2016, and changes during the three months then ended is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contract Term (Years)	Aggregate Intrinsic Value
Outstanding at April 30, 2016	1,068,333	$ 1.559		
Granted	250,000	$ 0.600		
Exercised	-	$ -		
Forfeited or expired	-	$ -		
Outstanding and exercisable at July 31, 2016	1,318,333	$ 1.377	2.00	$ -

The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value, based on our closing stock price of $0.1750 as of July 31, 2016, which would have been received by the holders of in-the-money options had the option holders exercised their options as of that date.

10. Contingencies and Commitments

(a) Litigation

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm the Company. The Company is currently not aware of any such legal proceedings or claims that the Company believes will have, individually or in the aggregate, a material adverse effect on its business, financial condition or operating results.

(b) Indemnities and Guarantees

During the normal course of business, the Company has made certain indemnities and guarantees under which it may be required to make payments in relation to certain transactions. The Company indemnifies its directors, officers, employees and agents to the maximum extent permitted under the laws of the State of Nevada. These indemnities include certain agreements with the Company's officers under which the Company may be required to indemnify such person for liabilities arising out of their employment relationship. The duration of these indemnities and guarantees varies and, in certain cases, is indefinite. The majority of these indemnities and guarantees do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated to make significant payments for these obligations and no liabilities have been recorded for these indemnities and guarantees in the accompanying consolidated balance sheets.

(c) Commitments

The Company has the following material commitments as of July 31, 2016:

a) Administration Agreement with EMAC Handels AG, renewed effective May 1, 2014 for a period of three years. Monthly fee for administration services of $5,000, 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 350,000 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 250,000 restricted common shares of the Company. The fees may be paid in cash and or with common stock.

d) In order to maintain the Company's claims and/or leases, the Company must make annual payments to the Bureau of Land Management ("BLM") and the State of Nevada, due in September of each year. Payment to the BLM is currently $195 per claim and the State of Nevada is currently $40 per claim, for a total annual commitment of $7,050.

11. Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, "Leases (Topic 842)". The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases. The new lease guidance also simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. The amendments in this ASU are effective for public companies for fiscal years beginning after December 15, 2018 and are to be applied through a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Company is currently unable to determine the impact on its consolidated financial statements of the adoption of this new accounting pronouncement.

In March 2016, the FASB issued ASU No. 2016-09, "Stock Compensation (Topic 718)", which is intended to simplify several aspects of the accounting for share-based payment award transactions, including the income tax impacts, the classification on the statement of cash flows, and forfeitures. The amendments in this ASU are effective for fiscal years beginning after December 15, 2016, including interim periods. The Company is currently unable to determine the impact on its consolidated financial statements of the adoption of this new accounting pronouncement.

In April 2015, the FASB issued ASU No. 2015-03, "Interest – Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs." To simplify presentation of debt issuance costs, the amendments in this Update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. For public companies, the amendments in this Update are effective for financial statements issued for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years. The Company adopted the new guidance effective May 1, 2016. The Company's prior period consolidated financial statements were not impacted by the adoption of this Update.

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.

12. Supplemental Statement of Cash Flows Information

During the three months ended July 31, 2016 and 2015, the Company paid $85,057 and $10,714 for interest.

During the three months ended July 31, 2016 and 2015, the Company paid no amounts for income taxes.

During the three months ended July 31, 2016, the Company had the following non-cash investing and financing activities:

In the DTC acquisition, increased inventories by $400, increased property and equipment by $11,463, increased intangible assets by $1,437,345, increased accounts payable by $1,445, increased accrued interest and fees payable by $341,161, increased convertible notes payable by $1,068,000 and increased payables – related parties by $57,011.

In debt conversions, increased common stock by $183, increased additional paid-in capital by $304,923, decreased convertible notes payable by $72,605, decreased accrued interest and fees payable by $11,644, decreased debt discount by $39,837 and decreased derivative liabilities by $41,880.

Increased debt discount and additional paid-in capital by $40,237 for beneficial conversion feature of new convertible notes payable.

Increased debt discount and decreased prepaid expenses by $16,294.

Increased debt discount and derivative liability by $22,500.

Increased common stock by $2 and additional paid-in capital by $5,773 and decreased accrued interest and fees payable by $10,325.

Increased debt discount and additional paid-in capital by $14,365 for the issuance of warrants.

During the three months ended July 31, 2015, the Company had the following non-cash investing and financing activities:

Increased common stock by $18, increased additional paid-in capital by $33,969, decreased convertible notes payable by $10,014, decreased debt discount by $2,594 and decreased derivative liability by $24,051.

Decreased debt discount by $6,680 and derivative liability by $71,943.

13. Subsequent Events

In accordance with ASC 855, Subsequent Events, the Company has evaluated subsequent events to determine events occurring after January 31, 2016 that would have a material impact on the Company's financial results or require disclosure.

Issuances of Common Shares

Subsequent to July 31, 2016, the Company issued the following shares of its common stock:

250,000 shares to Charles C. Hooper, Director, for services valued at $87,500 pursuant to a Service Agreement.

400,000 shares to a lender in payment of fees valued at $56,000.

300,000 shares to a lender valued at $38,400 for settlement of warrant agreement.

600,000 shares to a consultant in payment of fees valued at $90,600.

150,000 shares to a lender in payment of fees valued at $24,000.

Mineral Claims

Subsequent to July 31, 2016, the Long Canyon reregistered and restaked the 30 mineral claims in Nevada and has 90 days from registration to pay the assessment fees for the period ended September 2017.

Warrant Settlement Agreement

On August 9, 2016, the Company entered into a Warrant Settlement Agreement with a lender to eliminate the lender's warrant to purchase 68,333 shares of common stock of the Company previously issued in connection with a convertible promissory note. The Company is required to pay a total of $50,000 cash and issue 300,000 shares of its common stock. The Company paid $10,000 and issued the shares in August 2016

Amendment to Security Purchase Agreement

On August 1, 2016, the Company entered into an Amendment to Security Purchase Agreement whereby the lender that loaned the Company $189,000 pursuant to a Senior Secured Convertible Promissory Note agreed to loan the Company an additional $10,000.

Security Purchase Agreement

On August 3, 2016, the Company entered into a Securities Purchase Agreement with an institutional lender for the issuance of an 8% convertible note in the aggregate principal amount of $37,000. The Company issued 150,000 shares of its common stock to the lender as a loan commitment fee.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

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

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 more fully represent the Company's expansion goals into the advanced technology sector.

Effective July 15, 2016, the Company completed the acquisition of 100% of the member's equity of Defense Technology Corporation, a privately held Colorado limited liability company ("DTC"). DTC is a developer of defense detection and protection products intended to improve security for military personnel, schools and other public facilities. See Note 3.

On July 20, 2011, the Company acquired 100% of the issued shares of Long Canyon Gold Resources Corp. ("Long Canyon"), a private British Columbia, Canada Corporation, incorporated on June 19, 2008, in a share for share exchange accounted for as a reverse acquisition and recapitalization. Long Canyon has held leases for 30 BLM mineral lease claims, situated in the west section of the new Long Canyon Gold Trend area of east central Nevada and intends to conduct exploration activities on the properties as funding permits.

The consolidated financial statements presented in this report include the financial statements of the Company and those of Long Canyon and DTC (from the date of acquisition forward).

Our principal executive office is located at 4730 South Fort Apache Road, Suite 300, Las Vegas, Nevada 89147, telephone 1-(800) 520-9485. Additional office space is subleased from EMAC at 641 West 3rd Street, North Vancouver BC, Canada. The office of DRLLC that is responsible for management of exploration program is located at 125 East Main Street # 307, American Fork, Utah 84003.

Our website address is http://www.canyongoldexploration.com

Information on or accessed through our website is not incorporated into this Quarterly Report on Form 10-Q and is not a part of this Form 10-Q.

Forward Looking and Cautionary Statements

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

Going Concern

The accompanying condensed 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 July 31, 2016, the Company has no revenues, has accumulated losses of $3,712,574 and a working capital deficit of $3,041,689 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, 2017 by issuing debt and equity securities and by the continued support of its related parties (see Note 4). The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. There is no assurance that funding will be available to continue the Company's business operations.

Results of Operations

We currently have no sources of operating revenues. Accordingly, no revenues were recorded for the three months ended July 31, 2016 and 2015.

Our general and administrative expenses increased $442,211to $513,682 in the three months ended July 31, 2016 from $71,471 in the three months ended July 31, 2015. The increase was due primarily to an increase in stock based compensation, including shares issued to our new Chief Executive Officer, President and Director and the issuance of shares to investor relations consultants. We also incurred an increase in professional fees.

Our research and development expenses of $3,277 for the three months ended July 31, 2016 consist of DTC research and development expenses incurred subsequent to the July 15, 2016 DTC acquisition date. We incurred no research and development expenses prior to the DTC acquisition.

We incurred no exploration costs in the three months ended July 31, 2016 due to the delay in registering and restaking the Nevada mineral claims and paying for the annual claims maintenance fees. We incurred exploration costs of $1,650 in the three months ended July 31, 2015.

Our interest expense increased to $303,297 in the three months ended July 31, 2016 from $28,414 in the three months ended July 31, 2015. The increase in interest expense is due primarily to new interest-bearing debt issued to institutional investors, related extension and early payment penalties, and to the amortization of debt discount to interest expense in the current year. A portion of our interest expense is incurred to related parties.

We recognized a gain on derivative liability of $1,498,059 in the three months ended July 31, 2016 and a loss on derivative liability of $74,374 in the three months ended July 31, 2015. We estimate the fair value of the derivative for the conversion feature of our convertible notes payable using the Black-Scholes pricing model at the inception of the debt, at the date of conversions to equity, cash payments and at each reporting date, recording a derivative liability, debt discount and a gain or loss on change in derivative liability as applicable. These estimates are based on multiple inputs, including the market price of our stock, interest rates, our stock price volatility, and variable conversion prices based on market prices as defined in the respective loan agreements. These inputs are subject to significant changes from period to period; therefore, the estimated fair value of the derivative liability will fluctuate from period to period and the fluctuation may be material.

We recognized a gain on extinguishment of debt of $121,403 and $62,747 in the three months ended July 31, 2016 and 2015, respectively. respectively. The gain on extinguishment of debt resulted primarily as a result of the elimination of derivative liabilities upon debt extinguishment.

Primarily as a result of the gain on derivative liability, we reported net income of $799,206 in the three months ended July 31, 2016 compared to a net loss of $113,162 in the three months ended July 31, 2015.

Liquidity and Capital Resources

At July 31, 2016, we had total current assets of $26,592, including cash of $13,362, inventories of $5,355 and prepaid expenses of $7,878, and total current liabilities of $3,068,281, resulting in a working capital deficit of $3,041,689. Included in our current liabilities and working capital deficit are derivative liabilities totaling $228,825 related to the conversion features of certain of our convertible notes payable. We do not believe the derivative liabilities will be required to be settled in cash. Also included in our current liabilities are convertible notes payable of $1,068,000 and related accrued imputed interest of $343,847 resulting from the acquisition of DTC. We anticipate these current obligations will be settled in full through the issuance of 4,000,000 shares of our common stock.

A significant portion of our current liabilities as of July 31, 2016 is comprised of amounts due to related parties: accrued interest payable – related parties of $19,521; convertible notes payable – related parties of $57,050; notes payable – related parties of $79,656; and payables – related parties of $635,855. We anticipate that in the short-term, operating funds will continue to be provided by related parties and other lenders.

At July 31, 2016, we had total convertible notes payable of $1,465,571, net of discount of $73,729, including notes payable of $1,068,000 assumed in the DTC acquisition. Several of the note agreements require repayment through conversion of principal and interest into shares of the Company's common stock. We anticipate, therefore, converting these notes payable into shares of our common stock without the need for replacement financing; however, there can be no assurance that we will be successful in accomplishing this.

Pursuant to three convertible notes payable, we received total cash proceeds of $253,650 during the three months ended July 31, 2016. These short-term notes, which have a total principal balance of $267,650 at July 31, 2016 (including $14,000 total original interest discount), bear interest at annual rates ranging from 6% to 10% per annum and are convertible into common shares of the Company upon the terms and subject to the limitations and conditions set forth in the note agreements.

From proceeds from the new convertible notes payable, we repaid $76,895 in principal of convertible notes payable and further extinguished $72,605 in principal through conversion of convertible notes payable to common stock.

During the three months ended July 31, 2016, net cash used in operating activities was $173,969, as a result of our net income of $799,206, non-cash expenses totaling $595,357 and increases in accounts payable of $64,403, accrued interest payable – related parties of $1,675 and payables – related parties of $13,385, offset by non-cash gains totaling $1,619,462, increases in inventories of $4,955 and prepaid expenses of $6,000, and a decrease in accrued interest and fees payable of $17,578.

During the three months ended July 31, 2015, net cash provided by operating activities was $14,108, as a result of our net loss of $113,162, gain on extinguishment of debt of $62,747 and increase in prepaid expenses of $2,819, offset by non-cash expenses totaling $87,765 and increases in accounts payable of $38,582, accrued interest payable of $1,014, accrued interest payable – related parties of $1,676, and payables – related parties of $63,799.

During the three months ended July 31, 2016, we had net cash provided by investing activities of $18,053, comprised of cash acquired in the DTC acquisition of $18,409, partially offset by the purchase of property and equipment of $356.

During the three months ended July 31, 2015, we had no cash provided by or used in investing activities.

During the three months ended July 31, 2016, net cash provided by financing activities was $169,255, comprised of proceeds from convertible notes payable of $253,650, partially offset by repayment of convertible notes payable of $76,895 and payment of debt issuance costs of $7,500.

During the three months ended July 31, 2015, net cash used in financing activities was $14,286, comprised of repayment of convertible notes payable. During the three months ended July 31, 2014, net cash provided by financing activities was $14,500, comprised of proceeds from convertible notes payable.

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

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

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

As of July 31, 2016, we did not have sufficient cash to fund our operations for the next twelve months.

Inflation

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

Critical Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Intangible Assets

In accordance with Accounting Standards Codification ("ASC") 350, "Intangibles – Goodwill and Other," the Company has capitalized intangible assets acquired in the DTC acquisition (Note 3) that are used in research and development activities. Such intangible assets are considered indefinite lived until completion or abandonment of the associated research and development efforts. During the period that the assets are considered indefinite lived, they are not amortized but tested for impairment. Once the research and development efforts are completed or abandoned, the Company will determine the useful life of the assets and amortize the assets over such useful life. Research and development expenses incurred subsequent to the acquisition date are expensed.

Net Income (Loss) per Common Share

Basic net income or loss per common share is calculated by dividing the Company's net income or loss by the weighted average number of common shares outstanding during the period. Diluted net income or loss per common share is calculated by dividing the Company's net income or loss by sum of the weighted average number of common shares outstanding and the dilutive potential common share equivalents then outstanding. Potential dilutive common share equivalents consist of shares issuable upon exercise of outstanding stock options and warrants and conversion of convertible debt, using the treasury stock method and the average market price per share during the period. As of July 31, 2016, the Company had 8,479,283 potential shares issuable under outstanding options, warrants and convertible debt.

Exploration Costs

All sampling, metallurgical, engineering, contractor costs, and efforts to obtain mineral rights have been charged to expense as incurred.

Non-Monetary Transactions

All issuances of our 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.

Our accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows the provisions of ASC 505, *Equity Based Payments to Non Employees*, where the equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete.

In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement.

Comprehensive Loss

We have no component of other comprehensive income. Accordingly, net loss equals comprehensive loss for the three months ended July 31, 2016 and 2015.

Income Taxes

We provide for income taxes under ASC 740, Accounting for Income Taxes. ASC 740 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse. Our predecessor operated as entity exempt from federal and state income taxes.

ASC 740 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Impairment of Long-Lived Assets

We continually monitor events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. When such events or changes in circumstances are present, we assess the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

Revenue Recognition

Revenues from the sale of products will be recorded when the product is shipped, title and risk of loss have transferred to the purchaser, payment terms are fixed or determinable and payment is reasonably assured. Revenues from service contracts will be recognized when performance of the service is complete or over the term of the contract.

Recent Accounting Pronouncements

See the notes to our condensed consolidated financial statements for a discussion of recently issued accounting pronouncements that we have either implemented or that may have a material future impact on our financial position or results of operations.

Off-Balance Sheet Arrangements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

This item is not required for a smaller reporting company.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of our management including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) ("Exchange Act"). Based on this evaluation, the principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, in a manner that allows timely decisions regarding required disclosures.

We operate with a limited number of accounting and financial personnel. Although we retain the services of an experienced certified public accountant, we have been unable to implement proper segregation of duties over certain accounting and financial reporting processes, including timely and proper documentation of material transactions and agreements. We believe these control deficiencies represent material weaknesses in internal control over financial reporting.

Despite the material weaknesses in financial reporting noted above, we believe that our consolidated financial statements included in this report fairly present our financial position, results of operations and cash flows as of and for the periods presented in all material respects.

Changes in Internal Control over Financial Reporting. There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

This item is not required for a smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended July 31, 2016, the Company issued a total of 3,246,380 unregistered shares of its common stock: 1,400,000 shares for services valued at $303,800; 16,500 shares in payment of accrued fees payable of $10,325 and a total of 1,829,880 shares in the conversion of debt principal of $72,605 and accrued interest payable of $11,644. The securities were issued in a private transaction to a related party pursuant to an exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities

This item is not applicable.

Item 4. Mine Safety Disclosure

This item is not applicable.

Item 5. Other Information

Not applicable

Item 6. Exhibits

The following exhibits are filed as part of this report:

Exhibit No.	Description of Exhibit
31.1	Section 302 Certification of Chief Executive Officer and Chief Financial Officer
32.1	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer
101 INS*	XBRL Instance Document
101SCH*	XBRL Taxonomy Extension Schema
101 CAL*	XBRL Taxonomy Extension Calculation Linkbase
101 DEF*	XBRL Taxonomy Extension Definition Linkbase
101 LAB*	XBRL Taxonomy Extension Label Linkbase
101 PRE*	XBRL Taxonomy Extension Presentation Linkbase

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DEFENSE TECHNOLOGIES INTERNATIONAL CORP.

Date: September 14, 2016	By: /S/ MERRILL W. MOSES **Merrill W. Moses** Chief Executive Officer Acting Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, **Merrill W. Moses**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of DEFENSE TECHNOLGIES INTERNATIONAL CORP.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 14, 2016

/S/ MERRILL W. MOSES

Merrill W. Moses
Chief Executive Officer
Acting Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of DEFENSE TECHNOLGIES INTERNATIONAL CORP. (the "Company") on Form 10-Q for the period ending July 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, **Merrill W. Moses**, Chief Executive Officer and Acting Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/S/ MERRILL W. MOSES

Merrill W. Moses
Chief Executive Officer
Acting Chief Financial Officer

September 14, 2016

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certifications are accompanying the Company's Form 10-Q solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.