BULLDOG TECHNOLOGIES INC
Form SB-2
March 21, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

BULLDOG TECHNOLOGIES INC.
(Exact name of registrant as specified in its charter)

Nevada	**3790**	**98-0377543**
State or jurisdiction of incorporation or organization	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Riverside Place, Suite 301 11120 Horseshoe Way, Richmond, BC Canada V7A 5H7
(Address and telephone number of registrant s principal executive offices)

John Cockburn, President and Chief Executive Officer
Riverside Place, Suite 301 11120 Horseshoe Way, Richmond, BC Canada V7A 5H7
(Name, address and telephone number of agent for service)

Copy of communications to:

Virgil Z. Hlus, Esq.
Clark, Wilson
Suite 800 - 885 West Georgia Street
Vancouver, British Columbia, Canada V6C 3H1
Telephone: 604.687.5700

Approximate date of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If any securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

Pursuant to Rule 429 promulgated under the Securities Act of 1933, the enclosed prospectus constitutes a combined prospectus also relating to an aggregate of up to 15,815,082 shares of our common stock that were previously registered for sale in Registration Statements on Form SB-2, registration numbers 333-115562 and 333-128696, which shall hereafter become effective concurrently with the effectiveness of this Registration Statement in accordance with Section 8(c) of the Securities Act of 1933.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered[1]	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price (US$)	Amount of registration fee[2]
Common Stock to be offered for resale by selling security holders upon conversion of or as principal repayments and/or interest payments on convertible notes	4,480,000[3]	$1.01	$4,524,800.00	$484.15
Common Stock to be offered for resale by selling security holders upon exercise of share purchase warrants	4,961,322[4]	$1.01	$5,010,935.22	$536.17
Total Registration Fee				$1,020.32

(1) In the event of a stock split, stock dividend, or similar transaction involving our common stock, the number of shares registered shall automatically be increased to cover the additional shares of common stock issuable pursuant to Rule 416 under the Securities Act of 1933, as amended.

(2) Fee calculated in accordance with Rule 457(c) of the Securities Act of 1933. Estimated for the sole purpose of calculating the registration fee. We have based the fee calculation on the average of the last reported bid and ask price for our common stock on the OTC Bulletin Board on March 20, 2006.

(3) Represents: (i) 200% of 2,000,000 shares of common stock (4,000,000 shares of common stock) that may be issued upon conversion of or as principal repayments on all convertible notes in the aggregate amount of $2,000,000 due August 24, 2007 that were issued pursuant to a private placement dated February 24, 2006; and (ii) 150% of the 320,000 shares of common stock (480,000 shares of common stock) that may be issued as interest on the convertible notes. The principal of $2,000,000 is to be repaid in 14 equal installments commencing on June 24, 2006. At the option of the company, these repayments may be payable in United States dollars or in shares of common stock valued at the market price. Interest accrues on the unpaid balance of the principal amount of each note at the greater of 6% or LIBOR plus 300 basis points and, at the option of the company, may be payable in United States dollars or in shares of common stock valued at the market price. Market price is defined to be 90% of the volume weighted average trading price per share, as reported by Bloomberg L.P., for the 20 day period immediately prior to the date the interest payment is due as reported on the OTC Bulletin Board. The company may not make a principal repayment or interest payment in shares of common stock unless the closing price on the day the principal repayment or interest payment is due, as the case may be, is greater than the volume weighted average trading price for the 20 trading days preceding such principal repayment or interest payment date. For the purposes of determining the number of shares to register under this prospectus in connection with principal repayments and/or interest payments, our company has used an interest rate of 8% and $0.75 as the market price.

(4) Represents 150% of 3,307,547 shares of common stock (4,961,322 shares of common stock) that may be issued upon exercise of share purchase warrants at any time until August 24, 2011, at an exercise price of $1.15 per share.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON THE DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON THE DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

EXPLANATORY NOTE

Bulldog Technologies Inc. has previously filed registration statement nos. 333-128696 and 333-115562 to register shares of its common stock, as well as shares of its common stock issuable upon conversion of certain convertible notes and issuable upon exercise of certain share purchase warrants held by certain selling stockholders. Pursuant to Rule 429 of the Securities Act of 1933, as amended, this registration statement also serves as a post-effective amendment to those prior registration statements (Registration Statement Nos. 333-128696 and 333-115562). This registration statement eliminates those selling stockholders who have previously sold their shares pursuant to the previous registration statements and also eliminates those selling stockholders to whom our company no longer has registration obligations. This registration statement registers an additional 9,441,322 shares of common stock which have not previously been registered, including 4,480,000 shares issuable on the conversion of or as principal repayments and/or interest payments on certain convertible notes and 4,961,322 shares of common stock issuable on the exercise of share purchase warrants, which convertible notes and share purchase warrants were issued in a private placement completed on February 24, 2006.

PROSPECTUS

Subject to Completion

____________, 2006

BULLDOG TECHNOLOGIES INC.

A NEVADA CORPORATION

SHARES OF COMMON STOCK OF BULLDOG TECHNOLOGIES INC.

____

This prospectus registers a total of 15,815,082 shares of our company stock. Firstly, this prospectus relates to the resale by certain selling security holders of our company of up to 9,441,322 shares of our common stock in connection with the resale of:

- up to 4,480,000 shares of our common stock which may be issued upon the conversion of, as principal repayments on or as interest payments on certain convertible notes issued in a private placement on February 24, 2006; and

- up to 4,961,322 shares of our common stock which may be issued upon the exercise of certain share purchase warrants issued in connection with the private placement on February 24, 2006.

Secondly, this prospectus acts as a post-effective amendment to our prospectus filed on October 17, 2005, which registered certain shares for resale including the following 4,725,001 shares of our common stock:

- up to 3,526,416 shares of our common stock which may be issued upon the conversion of or as interest payments on certain convertible notes issued in a private placement on August 29, 2005; and

- up to 1,198,585 shares of our common stock which have been or may be issued upon the exercise of certain share purchase warrants issued in connection with the private placement on August 29, 2005.

Thirdly, this prospectus acts as a post-effective amendment to our prospectus filed on June 2, 2004, which registered certain shares for resale including the following 3,884,320 shares of our common stock:

- up to 2,219,611 shares of our common stock issued in a private placement on April 13, 2004; and

- up to 1,664,709 shares of our common stock which have been or may be issued upon the exercise of certain share purchase warrants issued in connection with the private placement on April 13, 2004.

The selling security holders may offer to sell the shares of common stock being offered in this prospectus at fixed prices, at prevailing market prices at the time of sale, at varying prices or at negotiated prices. We will not receive any proceeds from the resale of shares of our common stock by the selling security holders. We will pay for the expenses of this offering.

Our common stock is quoted on the National Association of Securities Dealers OTC Bulletin Board under the symbol BLLD . On March 1, 2006, the closing bid price of our common stock was $1.20.

Our business is subject to many risks and an investment in our common stock will also involve a high degree of risk. You should invest in our common stock only if you can afford to lose your entire investment. You should carefully consider the various Risk Factors described beginning on page 11 before investing in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The information in this prospectus is not complete and may be changed. The selling security holder may not sell or offer these securities until this registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

The date of this prospectus is _____________, 2006.

The following table of contents has been designed to help you find important information contained in this prospectus. We encourage you to read the entire prospectus.

TABLE OF CONTENTS

As used in this prospectus, the terms we , us and our mean Bulldog Technologies Inc. and our subsidiary, Bulldog Technologies (BC).

All dollar amounts refer to United States dollars unless otherwise indicated.

PROSPECTUS SUMMARY

Our Business

Our business is the development, manufacture and sale of Bulldog Online Security Systems, which we refer to as BOSS , designed to prevent cargo theft from containers, tractor-trailers and cargo vans. We developed a compact, portable electronic security device that attaches to the locking-rods of trailers and containers while in transit or storage. We have developed a BOSS for use on trucks that communicates with a remote receiver which is carried by the driver, and alerts the driver if anyone attempts to access the cargo. The Road BOSS™ can also interface with satellite truck tracking systems, and be monitored from a central dispatch. We have also developed a BOSS for security of storage yard containers that alerts on site security personnel in the event of theft or tampering. This system is known as the Yard BOSS™. We have also developed the Mini BOSS™ , a cellular-based, enhanced sensitivity, tracking, monitoring and recovery device. The Mini BOSS™ is covertly hidden in valuable shipments and remains dormant until activated by the user through a location software computer program.

Our principal executive office is located at Riverside Place, Suite 301, 11120 Horseshoe Way, Richmond, British Columbia Canada, V7A 5H7. Our telephone number is 604.271.8656. We maintain a website at www.bulldog-tech.com. Information contained on our website does not form part of this prospectus.

We have two subsidiaries, Bulldog Technologies (BC) Inc., a British Columbia corporation incorporated on September 23, 1998, which we acquired on November 10, 2003, and Bulldog Technologies Mexico, S.A. de C.V., which we incorporated on September 20, 2005.

Number of Shares Being Offered

This prospectus registers a total of 15,815,082 shares of our company stock. Firstly, this prospectus relates to the resale by certain selling security holders of our company of up to 9,441,322 shares of our common stock in connection with the resale of:

- up to 4,480,000 shares of our common stock which may be issued upon the conversion of, as principal repayments on or as interest payments on certain convertible notes issued in a private placement on February 24, 2006; and

- up to 4,961,322 shares of our common stock which may be issued upon the exercise of certain share purchase warrants issued in connection with the private placement on February 24, 2006.

Secondly, this prospectus acts as a post-effective amendment to our prospectus filed on October 17, 2005, which registered certain shares for resale including the following 4,725,001 shares of our common stock:

- up to 3,526,416 shares of our common stock which may be issued upon the conversion of or as interest payments on certain convertible notes issued in a private placement on August 29, 2005; and

- up to 1,198,585 shares of our common stock which have been or may be issued upon the exercise of certain share purchase warrants issued in connection with the private placement on August 29, 2005.

Thirdly, this prospectus acts as a post-effective amendment to our prospectus filed on June 2, 2004, which registered certain shares for resale including the following 3,884,320 shares of our common stock:

- up to 2,219,611 shares of our common stock issued in a private placement on April 13, 2004; and

- up to 1,664,709 shares of our common stock which have been or may be issued upon the exercise of certain share purchase warrants issued in connection with the private placement on April 13, 2004.

The selling security holders may sell these shares of common stock in the public market or through privately negotiated transactions or otherwise. The selling shareholders may sell these shares of common stock through ordinary brokerage transactions, directly to market makers or through any other means described in the section entitled Plan of Distribution .

Number of Shares Outstanding

There were 24,655,288 shares of our common stock issued and outstanding as at March 1, 2006.

Use of Proceeds

We will not receive any of the proceeds from the sale of the shares of our common stock being offered for sale by the selling security holders. However, we will receive gross proceeds of $3,803,679 assuming exercise of all of the related share purchase warrants issued in connection with the private placement on February 24, 2006, $1,119,339 assuming the exercise of all of the related share purchase warrants issued in connection with the private placement on August 29, 2005 and $693,629 assuming the exercise of all of the share purchase warrants issued in connection with the private placement on April 13, 2004. Since we cannot predict when the warrants will be exercised, if ever, we have not earmarked these proceeds for any particular purpose and we anticipate that any proceeds that we do receive will be added to our general working capital for application to our ongoing operations.

We will incur all costs associated with this registration statement and prospectus.

Summary of Financial Data

The summarized consolidated financial data presented below is derived from and should be read in conjunction with our interim unaudited consolidated financial statements for the quarter ended November 30, 2005 and our audited consolidated financial statements for the years ended August 31, 2005 and 2004, including the notes to those financial statements which are included elsewhere in this prospectus. The summarized consolidated financial data should also be read in conjunction with the section entitled Management Discussion and Analysis and Plan of Operation beginning on page 59 of this prospectus.

	For the three months ended November 30, 2005 (Unaudited)	**For the year ended August 31, 2005**	**For the year ended August 31, 2004**
Revenue	$Nil	$322,924	$Nil
Net Loss for the Period	$(1,937,361)	$(3,586,447)	$(1,014,759)
Loss Per Share basic and diluted	$(0.08)	$(0.15)	$(0.05)

	As at November 30, 2005 (Unaudited)	**As at August 31, 2005**	**As at August 31, 2004**
Working Capital (Deficit)	$(197,371)	$641,578	$1,862,189
Total Assets	$3,190,382	$1,957,842	$4,205,786
Total Liabilities	$2,874,136	$742,189	$2,064,758
Total Number of Issued Shares of Common Stock	24,259,581	24,047,317	22,842,011
Deficit accumulated in the development stage	$(8,131,964)	$(6,194,603)	$(2,608,156)
Total Stockholders Equity	$316,246	$1,215,653	$2,141,028

RISK FACTORS

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this prospectus in evaluating our company and its business before purchasing shares of our company s common stock. Our business, operating results and financial condition could be seriously harmed due to any of the following risks. The risks described below are not the only ones facing our company. Additional risks not presently known to us may also impair our business operations. You could lose all or part of your investment due to any of these risks.

RISKS RELATED TO SOME OF OUR OUTSTANDING SECURITIES

We have issued convertible notes and share purchase warrants, and our obligations under the convertible notes and the warrants pose risks to the price of our common stock and our continuing operations.

We issued convertible notes, in the aggregate principal amount of $2,000,000, which mature on August 24, 2007. We also issued convertible notes, in the aggregate principal amount of $2,100,000, which will mature on August 29, 2010. The convertible notes provide that the holder of the notes may convert the outstanding principal and accrued interest into shares of our common stock. We also have the option of paying interest on the notes in shares of our common stock. The purchasers of the convertible notes also hold an aggregate of 4,100,000 share purchase warrants. The placement agent received 166,415 share purchase warrants in connection with the private placement on August 29, 2005. In addition, we agreed to issue additional warrants to purchase an aggregate of 1,307,547 of our common stock to the four accredited investors who participated in the private placement on August 29, 2005.

The terms and conditions of the convertible notes and the share purchase warrants pose unique and special risks to our continuing operations and the price of our common stock. Some of those risks are outlined below.

The holders of the convertible notes have the option of converting the convertible notes into shares of our common stock, and we may elect to make principal repayments and/or interest payments under the convertible notes in shares of our common stock. The holders of the convertible notes may also exercise their common share purchase warrants. If the convertible notes are converted or the share purchase warrants are exercised, there will be dilution of your shares of our common stock.

The issuance of shares of our common stock upon conversion, as principal repayments on or as interest payments on the convertible notes and upon exercise of the share purchase warrants will result in dilution to the interests of other holders of our common stock, since the holders of the convertible notes may sell all of the resulting shares into the public market.

The principal amount of the convertible notes may be converted at the option of the holders into shares of our common stock at a set price of $1.00 per share, subject to adjustment pursuant to the anti-dilution provisions as set

forth in each of the convertible notes. In addition, we may elect to make principal repayments on the convertible notes issued on February 24, 2006 or interest payments on all of the convertible notes in shares of our common stock at a conversion price equal to the then current market price, which is equal to 90% of the closing sale price of our company's common stock for the 20 day period immediately prior to the date of the principal repayment or interest payment for the notes issued on February 24, 2006 and the closing sale price of our company s common stock (or if no closing sale prices are reported, the average of the closing bid and ask prices) for the 20 day period immediately prior to the date of the interest payment for the notes issued on August 29, 2005.

Each convertible note and each share purchase warrant is subject to anti-dilution protection upon the occurrence of certain events. If, among other things, we offer, sell or otherwise dispose of or issue any of our common stock (or any equity, debt or other instrument that is at any time over its life convertible into or exchangeable for our common stock) at an effective price per share that is less than the conversion price of the convertible note or the exercise price of the share purchase warrant, the conversion price of the convertible notes or the exercise price of the warrants will be reduced to a price which is equal to that lower effective price.

The convertible notes provide for various events of default that would entitle the holders to require us to immediately repay the outstanding principal amount, plus accrued and unpaid interest, in cash. If an event of default occurs, we may be unable to immediately repay the amount owed, and any repayment may leave us with little or no working capital in our business.

We will be considered in default of the convertible notes if any of the following events, among others, occurs:

Notes Issued on August 29, 2005

- we fail to pay any amount due under any of the convertible notes within fifteen (15) days of any notice sent to us by the holder of the convertible note that we are in default of our obligation to pay;

- we fail to comply with any of the other agreements contained in the convertible notes or other related agreements after we are given ten (10) days written notice of such non-compliance;

- any representation, warranty, certificate or other statement (financial or otherwise) made or furnished by or on behalf of our company in connection with the convertible note is false, incorrect, incomplete or misleading in any material respect;

- we (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian over our company or our assets; (ii) are unable to pay our debts as they mature; (iii) make a general assignment for the benefit of our creditors; (iv) are dissolved or liquidated in whole or in part; or (v) we or someone else commences a bankruptcy, insolvency or reorganization proceeding;

- we breach any of our obligations under any other bond, debenture, note or other evidence of indebtedness involving an amount exceeding $1,000,000; or

- one or more judgments for the payment of money in an amount in excess of $1,500,000 are rendered against our company, which judgments shall remain undischarged for a period of thirty (30) days;

Notes Issued on February 24, 2006

- we fail to pay any amount due under any of the convertible notes immediately;

- we fail to comply with any of the other agreements contained in the convertible notes or other related agreements after we are given twenty (20) days notice of such non-compliance;

- any representation, warranty, certificate or other statement (financial or otherwise) made or furnished by or on behalf of our company in connection with the convertible note is false, incorrect, incomplete or misleading in any material respect;

- we (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian over our company or our assets; (ii) are unable to pay our debts as they mature; (iii) make a general assignment for the benefit of our creditors; (iv) are dissolved or liquidated in whole or in part; or (v) we or someone else commences a bankruptcy, insolvency or reorganization proceeding;

- we breach any of our obligations under any other bond, debenture, note or other evidence of indebtedness involving an amount exceeding $500,000;

- our common stock is not listed or quoted on a trading market for five or more trading days;

- we fail to deliver a share certificate within five trading days after delivery of such certificate is required;

- we fail to have a sufficient number of authorized but unissued and unreserved shares available to issue upon conversion of the notes;

- we effect or publicly announce our intentions to effect any exchange recapitalization or other transaction that effectively rewards or requires physical delivery of share certificates; or

- the effectiveness of the registration statement required to be filed in connection with the notes issued on February 24, 2006 lapses for five or more trading days.

If an event of default occurs, the holders of the convertible notes can elect to require us to pay all of the outstanding principal amount, plus all other accrued and unpaid amounts under the convertible notes.

Some of the events of default include matters over which we may have some, little or no control. If a default occurs and we cannot pay the amounts payable under any of the convertible notes in cash (including any interest on such amounts and any applicable late fees under the convertible notes), the holders of the notes may protect and enforce their rights or remedies either by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement or other provision contained in the convertible notes, in the related securities purchase agreement or in any document or instrument delivered in connection with or pursuant to the convertible notes, or to enforce the payment of the outstanding convertible notes or any other legal or equitable right or remedy. This would have an adverse effect on our continuing operations.

All of our assets are secured and consequently if we default on the convertible notes, our continued operation will be adversely affected.

We are financing our operations primarily through the issuance of the equity and debt securities, including the convertible notes. The convertible notes issued on February 24, 2006 have been secured primarily by all of our assets. If we default on any of these convertible notes, the holders would be entitled to seize all of our assets and take control of our business which events would have a material adverse effect on our business. Please refer to section entitled February 24, 2006 Private Placement of Convertible Notes and Warrants for a description of the security we granted to the holders of these convertible notes.

Any significant downward pressure on the price of our common stock could encourage short sales by the holders of the convertible notes or by others. Such short sales may in turn place additional downward pressure on the market price of our common stock.

The convertible notes do not contain any restrictions on short selling. Accordingly, any significant downward pressure on the price of our common stock as the noteholders sell shares of our common stock could encourage short sales by them or others, subject to applicable securities laws. In turn, sales of a substantial number of shares of our common stock by way of short sales could further depress the market price of our stock.

In an ordinary or "uncovered" short sale, a selling stockholder causes his or her executing broker to borrow the shares to be delivered at the completion of the sale from another broker, subject to an agreement to return them upon request, thereby avoiding the need to deliver any shares actually owned by the selling stockholder on the

settlement date for the sale. Since the selling stockholder does not own the shares that are sold, the selling stockholder must subsequently purchase an equivalent number of shares in the market to complete or "cover" the transaction. The selling stockholder will realize a profit if the market price of the shares declines after the time of the short sale, but will incur a loss if the market price rises and he or she is forced to buy the replacement shares at a higher price. Accordingly, a declining trend in the market price of our common stock may stimulate short sales.

Assuming that the holders of the convertible notes and share purchase warrants convert their convertible notes or exercise their share purchase warrants, there will be substantial dilution of your shares of our common stock.

As disclosed above, the holders of the convertible notes may ultimately convert the full amount of the convertible notes and exercise all of their outstanding share purchase warrants and we may elect to pay the quarterly interest payments in shares of our common stock. They may then sell all of the resulting shares of common stock into the public market. This will result in dilution to the interests of other holders of our common stock.

Sales of a substantial number of shares of our common stock into the public market by the selling security holders may result in significant downward pressure on the price of our common stock and could affect the ability of our stockholders to realize the current trading price of our common stock.

Sales of a substantial number of shares of our common stock in the public market could cause a reduction in the market price of our common stock. We had 24,655,288 shares of common stock issued and outstanding as of March 1, 2006. When this registration statement is declared effective, the selling security holders may convert their convertible notes and exercise their share purchase warrants. Under such circumstances, up to 8,325,318 shares will be added to the number of issued and outstanding shares of our company, not including any shares of common stock that may be issued as interest payments on the convertible notes and not including additional shares which may be issuable as a result of any adjustments that may be made to the conversion price of the notes or the exercise price of the warrants. As a result of this registration statement, a substantial number of our shares of common stock may be issued and may be available for resale, which could have an adverse effect on the price of our common stock.

To the extent any of the selling security holders convert any of their convertible notes or exercise any of their share purchase warrants, and then resell the shares of common stock issued to them upon such conversion or exercise, as applicable, the price of our common stock may decrease due to the additional shares of common stock in the market.

Any significant downward pressure on the price of our common stock as the selling security holders sell the shares of our common stock could encourage short sales by the selling security holders or others. Any such short sales could place further downward pressure on the price of our common stock.

We have had negative cash flows from operations. Our business operations may fail if our actual cash requirements exceed our estimates, and we are not able to obtain further financing.

Our company has had negative cash flows from operations as we have not yet generated any significant revenues. To date, we have incurred significant expenses in product development and administration in order to ready our products for market. Our business plan calls for additional significant expenses necessary to bring the Bulldog Online Security Systems (our primary product line described below) to market. We have estimated that we will require approximately $4,590,000 to carry out our business plan during the twelve months ending March 1, 2007. As at March 3, 2006, we have cash and short-term investments of $1,910,400 which includes the gross proceeds of $2,000,000 from the sale of convertible notes due on February 24, 2006. We believe we have sufficient funds to satisfy our cash requirements to complete the development, commercialization and marketing of our main products, including the RB600, Mini BOSS™, Yard BOSS™ and the Tanker BOSS™. Our company intends to raise further equity or debt financing to expand our business activities, although we have not identified any sources of such financing. However, there is no assurance that actual cash requirements will not exceed our estimates, in which case we will require additional financing to bring our products into commercial operation, finance working capital and pay for operating expenses and capital requirements until we achieve a positive cash flow. In particular, additional capital may be required in the event that:

- we incur unexpected costs in completing the development of our technology or encounter any unexpected technical or other difficulties;

- we incur delays and additional expenses as a result of technology failure;

- we are unable to create a substantial market for our product and services; or

- we incur any significant unanticipated expenses.

We may not be able to obtain additional equity or debt financing on acceptable terms if and when we need it. Even if financing is available it may not be available on terms that are favourable to us or in sufficient amounts to satisfy our requirements. If we require, but are unable to obtain, additional financing in the future, we may be unable to implement our business plan and our growth strategies, respond to changing business or economic conditions, withstand adverse operating results, and compete effectively. More importantly, if we are unable to raise further financing when required, our continued operations may have to be scaled down or even ceased and our ability to generate revenues would be negatively affected.

We have a history of losses and fluctuating operating results, which raise substantial doubt about our ability to continue as a going concern.

Since inception through November 30, 2005, we have incurred aggregate net losses of approximately $8,131,964. Our loss from operations for the three months ended November 30, 2005 was $1,937,361 and the fiscal year ended August 31, 2005 was $3,586,447. There is no assurance that we will operate profitably or will generate positive cash flow in the future. In addition, our operating results in the future may be subject to significant fluctuations due to many factors not within our control, such as the unpredictability of when customers will order products, the size of customers' orders, the demand for our products, and the level of competition and general economic conditions.

Although we anticipate that we will earn revenues, we expect to continue to incur development, marketing and general operating costs. Consequently, we expect to incur operating losses and negative cash flow until our products gain sufficient market acceptance to generate a commercially viable and sustainable level of sales, and/or additional products are developed and commercially released and sales of such products made so that we are operating in a profitable manner. These circumstances raise substantial doubt about our ability to continue as a going concern, as described in the explanatory paragraph in our independent registered public accounting firm's report on the August 31, 2005 consolidated financial statements. Our unaudited interim consolidated financial statements do not include any adjustments that might result from the outcome of that uncertainty.

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because our operations have been primarily financed through the sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our continued operations. Any reduction in our ability to raise equity capital in the future would force us to reallocate funds from other planned uses and would have a significant negative effect on our business plans and operations, including our ability to develop new products, implement our marketing plans and continue our current operations. If the stock price declines, there can be no assurance that we can raise additional capital or generate funds from operations sufficient to meet our obligations and as a result we may be forced to scale down or even cease our operations.

If we issue additional shares in the future this may result in dilution to our existing stockholders.

Our Certificate of Incorporation authorizes the issuance of 100,000,000 shares of common stock and 10,000,000 shares of preferred stock. Our board of directors has the authority to issue additional shares up to the authorized capital stated in the certificate of incorporation. Our board of directors may choose to issue some or all of such shares to acquire one or more businesses or to obtain additional financing in the future. The issuance of any such

shares may result in a reduction of the book value or market price of the outstanding shares of our common stock. It will also cause a reduction in the proportionate ownership and voting power of all other stockholders. Further, any such issuance may result in a change of control of our corporation.

There is a high risk of business failure due to the fact that we have not commenced significant commercial operations.

Although we are in the initial stages of production of the Bulldog Online Security Systems, there is no assurance that we will be able to successfully develop sales of our systems. Thus we have no way of evaluating whether we will be able to operate the business successfully, and there is no assurance that we will be able to achieve profitable operations.

Potential investors should be aware of the difficulties normally encountered in developing and commercializing new industrial products and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the commercialization process that we plan to undertake. These potential problems include, but are not limited to, unanticipated problems relating to development, manufacture and financing of the Bulldog Online Security Systems products. If we are unsuccessful in addressing these risks, our business will most likely fail.

We have a history of losses and negative cash flows, which is likely to continue unless our products gain sufficient market acceptance to generate a commercially viable level of sales.

From inception through November 30, 2005, we have incurred aggregate net losses of $8,131,964, including a loss incurred for the three months ended November 30, 2005 of $1,937,361. There is no assurance that we will operate profitably or will generate positive cash flow in the future. In addition, our operating results in the future may be subject to significant fluctuations due to many factors not within our control, such as market acceptance of our products, the unpredictability of when customers will order products, the size of customers orders, the demand for our products, and the level of competition and general economic conditions.

To date, we have not yet generated any significant revenues. All revenues recognized so far are derived from incidental consulting services. Although we anticipate that we will be able to start generating revenues from the sales of our products during the next 12 months, we also expect an increase in development and operating costs. Consequently, we expect to incur operating losses and net cash outflow unless and until our existing products, and/or any new products that we may develop, gain market acceptance sufficient to generate a commercially viable and sustainable level of sales.

Unless we can establish significant sales of our current products, our potential revenues may be significantly reduced.

Our future revenue will be derived from the sale of our BOSS™ security products. The successful introduction and broad market acceptance of our BOSS™ products - as well as the development, introduction and market acceptance of any future enhancements - are, therefore, critical to our future success and our ability to generate revenues. Unfortunately, there can be no assurance that we will be successful in marketing our current product offerings, or any new product offerings, applications or enhancements. Failure to achieve broad market acceptance of our security products, as a result of competition, technological change, or otherwise, would significantly harm our business.

Substantially all our assets and all of our directors and officers are located outside the United States, with the result that it may be difficult for investors to enforce within the United States any judgments obtained against us or any of our directors or officers.

Substantially all of our assets are held by our subsidiary, Bulldog Technologies (BC), a company incorporated in British Columbia, Canada. Consequently, most of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against us or our officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Consequently, you may be effectively prevented from pursuing remedies under United States federal securities laws against our directors or officers.

We operate in a highly competitive industry and our failure to compete effectively may adversely affect our ability to generate revenue.

There are companies offering products which may compete directly with Bulldog Online Security Systems, and it is anticipated that larger, better-financed companies will develop products similar or superior to the Bulldog Online Security Systems. Such competition will potentially affect our chances of achieving profitability, and ultimately adversely affect our ability to continue as a going concern.

We could lose our competitive advantages if we are not able to protect any proprietary technology and intellectual property rights against infringement, and any related litigation could be time-consuming and costly.

Our success and ability to compete