

PROSPECTUS

SECURITY DEVICES INTERNATIONAL INC.

Common Stock

By means of this prospectus a number of shareholders of Security Devices International Inc. are offering to sell up to 2,814,880 shares of Security Devices' common stock at a price of \$0.20 per share. The shares owned by the selling shareholders may be sold in the over-the-counter market, or otherwise, at prices and terms then prevailing or at prices related to the then-current market price, or in negotiated transactions.

Security Devices will not receive any proceeds from the sale of the common stock by the selling stockholders.

Security Devices' common stock is listed on the OTC Bulletin Board under the symbol "SDEV".

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

THESE SECURITIES ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. FOR A DESCRIPTION OF CERTAIN IMPORTANT FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" BEGINNING ON PAGE 4 OF THIS PROSPECTUS.

The date of this prospectus is September 7, 2006.

PROSPECTUS SUMMARY

Security Devices was incorporated in Delaware on March 1, 2005.

Security Devices is developing a wireless, non-lethal weapon for use in law enforcement, defense and personal security. Referred to in this prospectus as the WERS, Security Devices' weapon will be similar to the widely used Stun Gun and TASER(R), except that it will be able to effectively incapacitate offenders from a distance as far as 30 meters without a trail of wires leading back to the launcher. Stun Gun operators must be in direct physical contact with combatants while the TASER(R) has a range of less than seven meters. In contrast, the WERS weapon will have a range which is more than four times farther than TASER(R), providing a significant safety advantage for law enforcement officers and security personnel.

Security Devices plans to develop both Long Range and Short Range versions of the WERS.

Security Devices' offices are located at 464 Old Orchard Grove, Toronto, Ontario, Canada M5M 2G4. Security Devices' telephone number is (647) 388-1117.

As of September 6, 2006 Security Devices had 10,214,880 outstanding shares of common stock.

Security Devices does not have a website. Security Devices is not a blank check company required to comply with Rule 419 of the Securities and Exchange Commission.

The Offering

By means of this prospectus a number of Security Devices' shareholders are offering to sell up to 2,814,880 shares of common stock. The shares owned by the selling shareholders may be sold in the over-the-counter market, or otherwise, at prices and terms then prevailing or at prices related to the then-current

market price, or in negotiated transactions.

The purchase of the securities offered by this prospectus involves a high degree of risk. Risk factors include the lack of any relevant operating history, losses since Security Devices was incorporated, and the need for Security Devices to sell more of its common stock to raise additional capital. In its financial statements for the period ended November 30, 2005 Security Devices' accountants have expressed substantial doubt as to the ability of Security Devices to continue in business. See "Risk Factors" beginning on page 3 of this prospectus for additional Risk Factors.

RISK FACTORS

The securities being offered involve a high degree of risk. Prospective investors should consider the following risk factors which affect Security Devices' business and this offering. These risk factors discuss all material risks which pertain to an investment in Security Devices' common stock. If any of the risks discussed below materialize, Security Devices' common stock could decline in value or become worthless.

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Risk Factors Related to this Offering

As of the date of this prospectus there was no public market for Security Devices' common stock and if no public market develops, purchasers of the shares offered by this prospectus may be unable to sell their shares. If purchasers are unable to sell their shares, purchasers may never be able to recover any amounts which they paid for Security Devices' shares.

Risk Factors Related to Security Devices' Business.

The failure of Security Devices to obtain capital may significantly restrict Security Devices' proposed operations. Security Devices needs additional capital to fund its operating losses and to expand its business.

Security Devices needs approximately \$743,000 to complete the development of the Long-Range version of its WERS. However, Security Devices' estimate in this regard may prove to be low. There is no assurance how long Security Devices can remain in operation.

Security Devices does not know what the terms of any future capital raising may be but any future sale of Security Devices' equity securities would dilute the ownership of existing stockholders and could be at prices substantially below the price of the shares of common stock sold in this offering. The failure of Security Devices to obtain the capital which it requires will result in the slower implementation of Security Devices' business plan or its inability of Security Devices to implement its business plan. There can be no assurance that Security Devices will be able to obtain any capital which it will need.

Security Devices is in the development stage. In its financial statements for the period ended November 30, 2005 Security Devices' accountants, as a result of the factors described below, expressed substantial doubt as to the ability of Security Devices to continue in business.

As of the date of this prospectus Security Devices:

- o had not generated any revenues,
- o did not have any full time employees, and
- o did not have any arrangements with any person to manufacture or sell its WERS.

To enable Security Devices to continue in business Security Devices will eventually need to earn a profit or obtain additional financing until Security Devices is able to earn a profit. As a result of Security Devices' short operating history it will be difficult for potential investors to evaluate its business and prospects. There can be no assurance that Security Devices can implement its business plan, that it will be profitable, or that the shares which may be sold in this offering will have any value.

If Security Devices cannot compete in the non-lethal weapon business it will never earn a profit, in which case Security Devices may be forced to cease operations. Security Devices faces competition from numerous sellers of non-lethal weapons, all of which have longer operating histories, larger

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customer bases, greater brand recognition and significantly greater financial, marketing and other resources than does Security Devices.

Securities Devices May be Unable to Earn a Profit if Law Enforcement and Corrections Agencies Do Not Purchase Its Products. Law enforcement and corrections agencies may be influenced by claims or perceptions that non-lethal weapons, such as the WERS, are unsafe or may be used in an abusive manner. In addition, earlier generation non-lethal weapons may have been perceived as ineffective. If the WERS is not widely accepted by the law enforcement and corrections market, Security Devices may not be able to expand sales of the WERS into other markets.

Security Devices May Face Personal Injury and Other Liability Claims. The WERS will most likely be used in aggressive confrontations that may result in serious, permanent bodily injury to those involved. A person injured in a confrontation or otherwise in connection with the use of the WERS may bring legal action against Security Devices to recover damages for personal injury, wrongful death, negligent design, dangerous product or inadequate warning. If successful, personal injury or other claims could have a material adverse effect on Security Devices. Although Security Devices plans to carry product liability insurance, litigation could result in an award of monetary damages in excess of any insurance coverage.

Government Regulation of the WERS May Adversely Affect Sales. Under current regulations, the WERS will not be a firearm regulated by the Bureau of Alcohol, Tobacco and Firearms, but will be a consumer product regulated by the United States Consumer Product Safety Commission. Although there are currently no federal laws restricting sales of weapons such as the WERS in the United States, future federal regulations could adversely affect Security Devices' sales. The WERS will be controlled, restricted or its use prohibited by several state and local governments. Some municipalities also prohibit consumer use of products similar to the WERS. Certain foreign jurisdiction, including Japan, the United Kingdom, Australia, Italy and Hong Kong, prohibit the sale of weapons such as the WERS.

If Security Devices is Unable to Protect its Intellectual Property, it May Incur Substantial Costs to Protect its Rights. The future success of Security Devices depends in part upon its proprietary technology. Security Devices has applied for two U.S. patents to protect its technology. Any patents issued to Security Devices may prove inadequate to protect its proprietary rights, and may not prevent others from developing and selling competing products. The validity and breadth of claims covered in technology patents involve complex legal and factual questions, and the resolution of claims may be highly uncertain, lengthy and expensive. In addition, any patents issued to Security Devices may be held invalid upon challenge and others may claim rights in or ownership of its patents.

Security Devices may not be able to achieve or maintain a competitive position and other technological developments may result in Security Devices' products becoming uneconomical or obsolete. The non-lethal weapons industry is characterized by changing technology and evolving industry standards and current or future competitors may develop products that are superior to the WERS. It is difficult to predict the rate at which the market for the WERS will grow, if at all. If the market for the WERS fails to grow, or grows more slowly than anticipated, Security Devices may be unable to earn a profit.

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Since Security Devices' officers plan to devote only a portion of their time to Security Devices' business, its chances of being profitable will be less than if it had full time management. As of the date of this prospectus Security Devices had four officers. With the exception of Sheldon Kales, the officers of Security Devices are employed full-time at other companies and the officers' other responsibilities could take precedence over the officer's duties to

Security Devices.

MARKET FOR SECURITY DEVICES' COMMON STOCK.

Since August 28, 2006 Security Devices' common stock has been listed on the OTC Bulletin Board under the symbol "SDEV". However, as of the date of this prospectus trading in Security Devices' common stock had not begun.

As of August 31, 2006, Security Devices had approximately 75 shareholders and 10,214,880 outstanding shares of common stock, of which 8,214,880 shares are restricted securities and may be sold in accordance with Rule 144 of the Securities and Exchange Commission.

By means of this prospectus a number of Security Devices' shareholders are offering to sell up to 2,814,880 of these restricted shares. See "Selling Shareholders" for more information.

Holders of common stock are entitled to receive dividends as may be declared by the Board of Directors. Security Devices' Board of Directors is not restricted from paying any dividends but is not obligated to declare a dividend. No dividends have ever been declared and it is not anticipated that dividends will ever be paid.

Security Devices does not have any outstanding options, warrants or other arrangements providing for the issuance of additional shares of capital stock.

Security Devices' Articles of Incorporation authorize its Board of Directors to issue up to 5,000,000 shares of preferred stock. The provisions in the Articles of Incorporation relating to the preferred stock allow Security Devices' directors to issue preferred stock with multiple votes per share and dividend rights which would have priority over any dividends paid with respect to the holders of Security Devices' common stock. The issuance of preferred stock with these rights may make the removal of management difficult even if the removal would be considered beneficial to shareholders generally, and will have the effect of limiting shareholder participation in certain transactions such as mergers or tender offers if these transactions are not favored by Security Devices' management.

Trades of Security Devices' common stock will be subject to Rule 15c-2 of the Securities and Exchange Commission, which imposes certain requirements on broker/dealers who sell securities subject to the rule to persons other than established customers and accredited investors. For transactions covered by the rule, brokers/dealers must make a special suitability determination for purchasers of the securities and receive the purchaser's written agreement to the transaction prior to sale. The Securities and Exchange Commission also has rules that regulate broker/dealer practices in connection with transactions in "penny stocks". Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume

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information with respect to transactions in that security is provided by the exchange or system). The penny stock rules require a broker/ dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document prepared by the Commission that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker/dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker/dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for Security Devices' common stock. As a result of these rules, investors in this offering, may find it difficult to sell their shares.

Security Devices was incorporated on March 1, 2005 and as of the date of this prospectus had not generated any revenue.

During the period from inception (March 1, 2005) through November 30, 2005 Security Devices' operations used \$(107,373) in cash. During this period, Security Devices borrowed \$8,029 from its officers and directors and raised \$99,470 from the sale of 397,880 shares of its common stock to private investors.

Subsequent to November 30, 2005 Security Devices raised \$145,650 from the sale of 1,242,000 shares of its common stock to private investors.

Between May and July 2006 Security Devices raised \$400,000 from the public sale of 2,000,000 shares of common stock at a price of \$0.20 per share.

Security Devices' plan of operation during the twelve months following the date of this prospectus is as follows:

Activity -----	Projected Completion Date -----	Estimated Cost -----
Completion of fully operational Long Range WERS prototype (rifle fired) for production	10/06	\$177,000
Completion of fully operational Long Range WERS prototype (shotgun fired) for production	2/07	30,000
Design production system for Long Range WERS	2/07	536,000
	-----	\$743,000
		=====

Security Devices plans to develop a Short Range version of the WERS after the development to the Long Range WERS has been completed. However since the

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development of the Long Range WERS is not complete, Security Devices did not know the time or cost involved in developing the Short Range WERS.

Security Devices anticipates that its capital requirements for the twelve months following the date of this prospectus will be:

Research and Development	\$743,000
General and administrative expenses	70,000
Offering Expenses	30,000

Total	\$843,000
	=====

Security Devices does not anticipate that it will need to hire any employees during the twelve month period following the date of this prospectus.

Security Devices' future plans will be dependent upon the amount of capital it is able to raise.

Security Devices will attempt to raise capital through the private sale of its equity securities or borrowings from third party lenders. Security Devices does not have any commitments or arrangements from any person to provide Security Devices with any additional capital. If additional financing is not available when needed, Security Devices may continue to operate in its present mode or Security Devices may need to cease operations. If Security Devices continues to operate in its present mode, it will require approximately \$125,000 of funding during the twelve months following the date of this prospectus. Security Devices does not have any plans, arrangements or agreements to sell its assets or to merge with another entity.

BUSINESS

Security Devices is developing a wireless, non-lethal electrical stun weapon (referred to in this prospectus as a "WERS") for use in law enforcement, military, professional and home security.

There are three basic categories of non-lethal weapons:

1. Impact Devices
 - o Baton
 - o Rubber Bullet
 - o Soft Projectile
2. Chemical Agents
 - o Pepper Spray
 - o Tear Gas
 - o CS

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3. Other Types
 - o Electrical Devices, such as the TASER(R) and Stun Guns
 - o Capture Net
 - o Flash/Bang Grenade
 - o Head/Neck Restraint

The safety and effectiveness implications of all non-lethal options are under constant scrutiny and evaluation. Law enforcement agencies, as well as private citizens, are under pressure to reduce the incidence of lethal force in both apprehension and defense. A number of elements contribute to the ever growing need for a more effective, non-lethal weapon:

- o Excessive use of firearms by the police.
- o Excessive use of firearms for self defence.
- o Increased incidence of serious injury and death from attempted defensive actions.
- o Increased liability claims against police.
- o Increased utilization of military forces for peace keeping, crowd control and homeland security.

The WERS uses an electro-muscular disruption technology to induce involuntary muscle contractions causing the subject to be temporarily incapacitated. Electro-muscular disruption devices include traditional stun guns, TASERS(R), and Stinger(R) handheld projectile stun guns.

The WERS is similar to conventional, widely used electrical weapons, with two major differences:

1. WERS is wireless. Rounds fired from WERS are not connected to the firing device by wires. This feature provides added range and less likelihood of interference from moving objects and people, both accidental and intentional.
2. WERS has a far greater firing range than devices currently on the market. Its wireless round will be able to temporarily incapacitate violent offenders and combatants from a distance as far as 75 metres or greater depending on powder charge and firing conditions. This range is up to ten times better than most competing firing devices, providing significant safety advantages for military and law enforcement personnel. In contrast, Stun Gun operators must be in direct physical contact with combatants, placing the enforcement officer in potential danger.

Security Devices plan to develop both a Long Range and a Short Range version of the WERS.

The Long Range WERS will have an accurate firing distance of up to 75 meters and can be fired from conventional weapons, such as single shot riot rifles or shotguns.

The Short Range WERS will have a safe firing range of 2 to 10 meters and will be fired from a proprietary system powered by a pressurized air cartridge.

The WERS adapts to existing weapon formats to allow law enforcement and military services to quickly train and use the WERS without the need for lengthy, complex training methods or significant functional adjustments to vehicles or personal equipment. Simplicity of use is also a key benefit for the home security market as most users have little or no specialized training. The common weapon format of the WERS makes it easier for even untrained homeowners to use the device for protection. The short-range firing device is very simple to operate. By pointing the laser-aiming device at a target, users squeeze the trigger exactly as they would a standard pistol trigger. The round will fire with low recoil enabling a quick firing of a second or third round if necessary.

The WERS uses an electrical round which becomes armed only after firing.

Upon impact, the soft head of the electrical round makes contact with the target and electrical arms open like spider legs and attach to the clothing or body of the target. Direct skin contact is not necessary for the WERS to be effective. The wide arm design allows the engagement arms to penetrate from a broad range of firing angles. As such, a hit anywhere on the body can be effective. The electrical round then discharges an electric pulse that can incapacitate individuals regardless of their pain tolerance, drug and alcohol use, body size or thickness of clothing.

The charge from the electrical round is significantly lower than the critical cardio-vibration level to ensure the safety of the combatant and responsive recovery following apprehension. The current in the electrical round fired by the WERS corresponds to standard medical equipment and meets guidelines established to prevent permanent electrical impairment. Its energy output leaves no enduring effects, allowing for self protection without the risk of lethal accidents or wrongful death liability - a major concern for law enforcement and security services.

The cost to manufacture a launcher for the Short Range WERS is estimated to be \$150. Security Devices expects that the short range launcher will sell at a retail price of approximately \$875 per unit. The cost of manufacturing an electrical round is estimated at \$10 to \$12. An electric round is expected to sell at a retail price between \$30 and \$45. In comparison, rubber, smoke or stun rounds typically sell for \$20 to \$28.

Security Devices anticipates that most of its revenues will be generated from initial and repeat sales of electrical rounds.

As if the date of this prospectus Security Devices had completed the following steps in the development of the WERS:

- o Design of 'dummy' rounds to test ballistic characteristics.
- o First testing of ballistic rounds.
- o Production of various types of ballistic rounds.
- o Design of 'electrical arms' to adhere to clothing or skin.
- o Design of safety/armed mechanism.
- o Production of mechanical systems.
- o Design of electrical system.

- o Production of electrical system.
- o Integration and assembly of mechanical and electrical sub-systems for electrical rounds.

Key steps to be completed include:

- o Testing of different ballistic rounds.
- o Production of 10 completed rounds.
- o Powder loading testing.
- o Testing of complete electrical rounds.
- o Adjustment of electrical rounds based on test results.
- o Testing with military and law enforcement organizations
- o Completion of fully operational Long Range WERS for production
- o Completion of fully operational Short Range WERS electrical round
- o Completion of fully operational Short Range WERS firing system

prototype

See the section of the prospectus titled "Management's Analysis and Discussion and Plan of Operation" for information regarding the cost and timing of the remaining steps in the development of the WERS.

The electrical aspects of the WERS are being developed by D.P. Electronic Systems, Ltd., a company controlled by Alexander Blaunshtein. Alexander Blaunshtein is a principal shareholder of Security Devices and is the son of Natan Blaunshtein, who is one of Security Devices' directors. During the period from its inception (March 1, 2005) through November 30, 2005 Security Devices paid \$25,000 to D.P. Electronic Systems. Of this amount, \$7,000 was used by D.P. Electronic for legal expenses relating to the applications for two provisional patents and the remainder was used for research and development.

The mechanical development of the WERS is being completed by Elad Engineering Ltd., an Israeli company which has designed weapons for the Israeli Military. During the period ended November 30, 2005 Security Devices paid \$55,000 to Elad Engineering for research and development.

Security Devices does not have written agreements with Elad Engineering or D.P. Electronic Systems for work relating to the development of the WERS.

Once operational prototypes are completed, Security Devices plans to joint venture or license the WERS to larger companies which have the financial capability, expertise and relationships for manufacturing, distribution, marketing, sales and training. As of the date of this prospectus Security Devices has not entered into any joint venture or licensing agreements.

Competition

The primary competitive factors in the market for non-lethal weapons are a weapon's cost, effectiveness, and ease of use.

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In the military market a wide variety of weapon systems are used. Conducted energy devices, such as the WERS, have gained increased acceptance during the last two years as a result of the increased role of military personnel in Iraq and Afghanistan. Conducted energy weapons have gained limited acceptance in the private citizen market for non-lethal weapons.

Security Devices' primary competitors will be Taser International, Inc. and Stinger Systems, Inc. The WERS will also compete indirectly with a variety of other non-lethal alternatives, including pepper spray and impact weapons sold by companies such as Armor Holdings, Inc. and Jaycor, Inc.

Security Devices believes that its competitive advantage will be the ability of the WERS to effectively incapacitate offenders from a distance as far as 75 meters without a trail of wires leading back to the launcher. Stun Gun operators must be in direct physical contact with combatants while the TASER(R) has a range of less than seven meters. In contrast, the WERS will be designed to have a range which is over four times farther than TASER(R), providing a significant safety advantage for enforcement officers and security personnel.

Patents

The technology for the electrical aspects of the WERS was developed by Dr. Natan Blaunshtein, a director of Security Devices. Dr. Blaunshtein is a Professor in the Department of Electrical and Computer Engineering at Ben-Gurion University, Israel.

The technology for the mechanical WERS was developed by Ilan Shalev and Haim Danon. Ilan Shalev and Haim Danon are officers of Elad Engineering, the company which Security Devices is using to complete the mechanical development of the WERS.

Two patent applications, one for the electrical mechanism and the other for the mechanical mechanism of the WERS, have been filed by Security Devices with the U.S. Patent Office.

Security Devices does not hold any foreign patents.

Security Devices' patents may not protect its proprietary technology. In addition, other companies may develop products similar to the WERS or avoid patents held by Security Devices. Disputes may arise between Security Devices and others as to the scope and validity of its patents. Any defense of its patents could prove costly and time consuming and Security Devices may not be in a position, or may not consider it advisable, to carry on such a defense. In addition, others may acquire or independently develop the same or similar unpatented proprietary technology used by Security Devices.

Government Regulation

Under current regulations the WERS will be considered a crime control product by the United States Department of Commerce and the export of the WERS will be regulated under export administration regulations. As a result, export licenses from the Department of Commerce will be required for all shipments to foreign countries other than Canada. In addition, the Department of Commerce has regulations which may restrict the export of technology used in the WERS.

The WERS will be controlled, restricted or its use prohibited by several state and local governments. In many cases, the law enforcement and corrections market is subject to different regulations than the private citizen market. Many

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states have regulations restricting the sale of stun guns and hand-held shock devices, such as the WERS, to private citizens or security personnel.

Foreign regulations pertaining to non-lethal weapons are numerous and often unclear and a number of countries prohibit devices similar to the WERS.

Employees

As of August 31, 2006 Security Devices did not have any full-time employees.

Facilities

Security Devices' offices are located at 464 Old Orchard Grove, Toronto, Ontario, Canada M5M 2G4, which are also the offices of Sheldon Kales, the Chief Executive Officer of Security Devices. Security Devices is not charged for the use of its office space. Security Devices' use of this space may be terminated at any time. Security Devices' offices are expected to be adequate to meet Security Devices' foreseeable future needs.

MANAGEMENT

Name	Age	Position
Sheldon Kales	50	Chief Executive Officer and a Director
Natan Blaunshtein	57	Vice President of Research and Development, Chief Scientist and a Director
Boaz Dor	52	Secretary and a Director
Gregory Sullivan	40	Director

The directors of Security Devices serve until the first annual meeting of its shareholders and until their successors have been duly elected and qualified. The officers serve at the discretion of Security Devices' directors.

Sheldon Kales has been an officer and director of Security Devices since March 2005. Since February 2004 Mr. Kales has been working on the development of the WERS. Between January 2000 and February 2004 Mr. Kales was the President of Yangtze Telecom, a company which provides messaging and related services for cell phone users in China. Mr. Kales founded, and between 1985 and 2001, operated Argus Investigation Services.

Dr. Natan Blaunshtein has been an officer of Security Devices since March 2005 and one of its directors since April 2005. Dr. Blaunshtein has been an associate professor at Ben-Gurion University (Israel) since 1993 and is presently a Professor in the University's Department of Communication Systems Engineering and a professor in the Wireless Cellular Communication Program of Holon

Institute and Ruppin Scientific Center (Israel). He was previously an engineer, a lecturer and then, from 1984 to 1992, a senior scientist, an associate professor and a professor at State University, Beltsy, Moldova, former USSR. Dr. Blaunshtein received an MSc in Radiophysics and Electronics from Tomsk University, Tomsk, Russia, in 1972, and PhD and DSc degrees in Radiophysics and Electronics from the Institute of Geomagnetism, Ionosphere and Radiowave

Propagation (IZMIR), Academy of Science USSR, Moscow, Russia, in 1985 and 1991, respectively.

Boaz Dor has been a director of Security Devices since April 2005 and its Secretary since March 15, 2006. Mr. Dor served in the Israeli Defence Forces from 1972 to 1975. Recruited by the Israeli Secret Services, Mr. Dor was assigned to the International Security Division for Aviation Security for the Israeli Government, eventually assuming the position of Head of Security for the Embassy of Israel and El Al Israel Airlines in Cairo, Egypt, and later, as Vice-Consul and Head of Security for the Israeli Consulate in Toronto and Western Canada and El Al Israel Airlines. In 1989, Mr. Dor resigned from the public sector to open a security consulting firm. In 1991, he was appointed executive director of security for the Seabeco Group of Companies where Mr. Dor oversaw international operations in Switzerland, Belgium, Russia, New York and Toronto. Since 2000 Mr. Dor has owned and operated Ozone Water Systems Inc., a water purification company.

Gregory Sullivan has been a director of Security Devices since April 2005. Mr. Sullivan has been a municipal police officer in Ontario, Canada since 1985, presently holding the rank of Detective Sergeant. Having trained with police forces in Canada and the U.S., including the Ontario Provincial Police, the New York City Police Department and the Federal Bureau of Investigation, Mr. Sullivan is a certified Use of Force Instructor and Firearms Instructor.

Executive Compensation

The following table shows the compensation during the period from March 1, 2005 (the inception of the Company) to November 30, 2005, paid or accrued, to Sheldon Kales, the President of Security Devices. None of the executive officers of Security Devices received compensation in excess of \$100,000 during this period.

Name and Principal Position	Fiscal Year	All Other		Other		Compen- sation Granted
		Annual Salary (1)	Restric- tion Bonus (2)	Stock Awards (4)	Options (5)	

Sheldon Kales, President	2005	--	--	--	\$25,000	--	--
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- (1) The dollar value of base salary (cash and non-cash) received.
- (2) The dollar value of bonus (cash and non-cash) received.
- (3) Any other annual compensation not properly categorized as salary or bonus, including perquisites and other personal benefits, securities or property.
- (4) During the periods covered by the table, the value of the shares of restricted stock issued as compensation for services to the persons listed in the table.

As of November 30, 2005, the number of shares of Security Devices's common stock, owned by the officers included in the table above, and the value of such shares at such date, based upon the market price of Security Devices' common stock were:

Name	Shares	Value
Sheldon Kales	2,500,000	*

* As of November 30, 2005, there was no public market for the common stock of Security Devices.

Although Security Devices has no plans to pay dividends, dividends may be paid on shares of restricted stock owned by Security Devices' officers and directors,

- (5) The shares of common stock to be received upon the exercise of all stock options granted during the periods covered by the table.
- (6) All other compensation received that Security Devices could not properly report in any other column of the table.

Other than shares issued in March 2005 for services rendered, Security Devices' officers have not received any compensation between the date of its incorporation (March 1, 2005) and the date of this prospectus.

Security Devices does not have an employment agreement with any of its officers.

The following shows the amounts which Security Devices expects to pay to its officers during the twelve month period ending March 31, 2007, and the time these persons plan to devote to Security Devices' business.

Name	Proposed Compensation	Time to be Devoted to the Business of Security Devices
Sheldon Kales	*	100%
Natan Blaunshtein	*	50%
Boaz Dor	*	50%
Gregory Sullivan	*	10%

- o Security Devices' officers and directors have agreed to serve without compensation until Security Devices has accumulated gross revenues of \$500,000.
- o Security Devices has agreed to pay Natan Blaunshtein a royalty equal to 3.5% of its sales.

Once accumulated revenue reaches \$500,000, Security Devices' directors may compensate its officers depending upon a variety of factors, including past sales volume and the anticipated results of its future operations. However, there are no sales, net income, or other thresholds which are required for Security Devices' directors to increase the compensation paid to Security Devices' officers. Security Devices may issue shares of its common stock to its officers in payment of compensation owed to its officers.

Stock Options. Security Devices has not granted any stock options and does not have any stock option plans in effect as of the date of this prospectus. In the future, Security Devices may grant stock options to its officers, directors, employees or consultants.

Long-Term Incentive Plans. Security Devices does not provide its officers or employees with pension, stock appreciation rights, long-term incentive or other plans and has no intention of implementing any of these plans for the foreseeable future.

Employee Pension, Profit Sharing or other Retirement Plans. Security Devices does not have a defined benefit, pension plan, profit sharing or other retirement plan, although it may adopt one or more of such plans in the future.

Compensation of Directors. Security Devices' directors do not receive any compensation pursuant to any standard arrangement for their services as directors.

Transactions with Related Parties and Recent Sales of Securities

The following lists all shares of Security Devices' common stock since its incorporation:

Shareholder	Date of Sale	Consideration	
		Shares Issued	Paid for Shares
Sheldon Kales	3-03-05	2,500,000	Services rendered, valued at \$25,000
Boaz Dor	3-03-05	900,000	Services rendered, valued at \$9,000
Gregory Sullivan	3-03-05	240,000	Services rendered, valued at \$2,400
Alexander Blaunshtein (1)	3-03-05	1,560,000	Services rendered, valued at \$15,600
Consultants	3-03-05	1,325,000	Services rendered, valued at \$13,250
Private Investors	4-15-05	397,880	\$99,470
Private Investors	12-31-05	486,000	\$48,600
Private Investors	1-31-06	470,000	\$47,000
Private Investors	3-08-06	286,000	\$50,050
Consultant	3-08-06	50,000	Services rendered, valued at \$8,750
Public Investors	5-06/7-06	2,000,000	(2)
		<u>10,214,880</u>	

(1) Alexander Blaunshtein is the son of Natan Blaunshtein.

(2) Shares were sold in public offering at a price of \$0.20 per share.

The services relating to the shares issued in March 2005 were provided for the development of the WERS and were valued at \$0.01 per share. The 50,000 shares issued in March 2006 were issued as compensation for introducing investors to Security Devices and were valued at \$0.175 per share which is the price, per

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share, received by Security Devices for the shares sold for cash in March 2006.

The funds raised from the private investors were used to pay the expenses of this offering and Security Devices' research and development and general and administrative expenses.

The electrical aspects of the WERS are being developed by D.P. Electronic Systems, Ltd., a company controlled by Alexander Blaunshtein. Alexander Blaunshtein is a principal shareholder of Security Devices and is the son of Natan Blaunshtein, who is one of Security Devices' directors. During the period from its inception (March 1, 2005) through November 30, 2005 Security Devices paid \$25,000 to D.P. Electronic Systems. Of this amount, \$7,000 was used by D.P. Electronic for legal expenses relating to the applications for two provisional patents, and the remainder was used for research and development. Security Devices is of the opinion that its arrangement with D.P. Electronic Systems is at least as favorable as that which Security Devices could have obtained from any unrelated third party.

As of November 30, 2005 Security Devices had borrowed \$4,297 from Sheldon Kales, \$2,073 from Gregory Sullivan, and \$1,658 from Boaz Dor. The amounts owed to these persons bear interest at 4% per year, are unsecured and are due on demand.

PRINCIPAL SHAREHOLDERS

The following table shows the ownership of Security Devices' common stock as of the date of this prospectus by each shareholder known by Security Devices to be the beneficial owner of more than 5% of Security Devices' outstanding shares, each director and executive officer and all directors and executive officers as a group. Except as otherwise indicated, each shareholder has sole voting and investment power with respect to the shares they beneficially own.

Name	Number of Shares	Percent of Class
Sheldon Kales	2,500,000	24%

Natan Blaunshtein	--	--
Boaz Dor	900,000	9%
Gregory Sullivan	240,000	2%
Alexander Blaunshtein (1)	1,560,000	15%
Dror Shachar (2)	1,200,000	12%
All Officers and Directors as a group (four persons)	3,640,000	36%

(1) Alexander Blaunshtein is the son of Nathan Blaunshtein.

(2) Dror Shachar holds these shares for the benefit of his father, Mark Shachar.

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SELLING SHAREHOLDERS

The persons listed in the following table plan to offer the shares shown opposite their respective names by means of this prospectus. The owners of the shares to be sold by means of this prospectus are referred to as the "selling shareholders". The selling shareholders acquired their shares from Security Devices in private transactions for services rendered and for cash at prices ranging between \$0.10 and \$0.25 per share.

Security Devices will not receive any proceeds from the sale of the shares by the selling shareholders. Security Devices will pay all costs of registering the shares offered by the selling shareholders. These costs, based upon the time related to preparing this section of the prospectus, are estimated to be \$2,000. The selling shareholders will pay all sales commissions and other costs of the sale of the shares offered by them.

Name	Share		Percentage	
	Shares Owned	Shares Sold in this Offering	Ownership After Offering	Ownership After Offering
Sheldon Kales (1)	2,500,000	200,000	2,300,000	23%
Boaz Dor (1)	900,000	200,000	700,000	7%
Gregory Sullivan (1)	240,000	200,000	40,000	0.4%
Alexander Blaunshtein (2)	1,560,000	200,000	1,360,000	13%
Dror Shachar	1,200,000	200,000	1,000,000	10%
Tibor I. Barsony	235,000	235,000	--	
Morry Patoka	50,000	50,000	--	
Ted Calabretta	107,880	107,880	--	
Mark Simmons	150,000	150,000	--	
Norman and Wendy Simmons	30,000	30,000	--	
Richard Savage	90,000	90,000	--	
Mark Bodenstein	40,000	40,000	--	
John W. Gladding	6,000	6,000	--	
Tom Kellner	10,000	10,000	--	
Agnes Gergely	10,000	10,000	--	
Rob Barsony	50,000	50,000	--	
Julie Wright	50,000	50,000	--	
David Goodman	100,000	100,000	--	
Allan Zener	50,000	50,000	--	
Avivit Bodenstein	10,000	10,000	--	
Dr. Tally Bodenstein	50,000	50,000	--	
Luis Gil	10,000	10,000	--	
Peter Gil	10,000	10,000	--	
Lyle McLennan	20,000	20,000	--	
Len Lombardi	10,000	10,000	--	
Maxine Levine	5,000	5,000	--	
Andrea Levine	5,000	5,000	--	
Patti Ballas	5,000	5,000	--	
Ezra Ballas	5,000	5,000	--	
Nahum Kaplan	10,000	10,000	--	

Name	Share		Percentage	
	Shares Owned	Shares Sold in this Offering	Ownership After Offering	Ownership After Offering
Eric Kaplan	10,000	10,000	--	
Sylvie Kaplan	10,000	10,000	--	
Jonathan Kaplan	10,000	10,000	--	
Sydney Ceresne	10,000	10,000	--	
Bryan Ceresne	10,000	10,000	--	
Roland Lupka	20,000	20,000	--	
Cindy Diamond	20,000	20,000	--	
Rosika Bodenstein	60,000	60,000	--	
Brenda M.Chisholm	100,000	100,000	--	
Christine McArthur	5,000	5,000	--	
Michael John McArthur	10,000	10,000	--	
Steve MacDonald	10,000	10,000	--	
Linda MacDonald	10,000	10,000	--	
Kevin McGovern	10,000	10,000	--	
Steve Kessel	10,000	10,000	--	
Oleh Kupraty	10,000	10,000	--	
Kevin Wood	10,000	10,000	--	
Amand Schofield	5,000	5,000	--	
Brian Griffith	10,000	10,000	--	
Roy Teeft	10,000	10,000	--	
Craig Campbell	10,000	10,000	--	
Abe Goldstein	30,000	30,000	--	
Kathy Schneider	30,000	30,000	--	
Robert Schneider	50,000	50,000	--	
Ian Zive	20,000	20,000	--	
Mandy Schneider	156,000	156,000	--	
George Schneider	50,000	50,000	--	
	<u>8,214,880</u>	<u>2,814,880</u>		

- (1) Officer or director of Security Devices.
- (2) Alexander Blaunshtein is the son of Natan Blaunshtein.

Except as noted above, no selling shareholder has, or had, any material relationship with Security Devices, or Security Devices' officers or directors.

Richard Savage and Lyle McLennan are registered representatives with Blackmont Capital, a Canadian brokerage firm. To Security Devices' knowledge, no other selling shareholder is affiliated with a securities broker.

Manner of Sale.

The shares of common stock owned by the selling shareholders may be offered and sold by means of this prospectus from time to time as market conditions permit. The shares owned by the selling shareholders may be sold in

the over-the-counter market, or otherwise, at prices and terms then prevailing or at prices related to the then-current market price, or in negotiated transactions. These shares may be sold by one or more of the following methods, without limitation:

- o a block trade in which a broker or dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- o purchases by a broker or dealer as principal and resale by such broker or dealer for its account pursuant to this prospectus;
- o ordinary brokerage transactions and transactions in which the broker solicits purchasers; and

- o face-to-face transactions between sellers and purchasers without a broker/dealer.

In competing sales, brokers or dealers engaged by the selling shareholders may arrange for other brokers or dealers to participate. Brokers or dealers may receive commissions or discounts from selling shareholders in amounts to be negotiated. As to any particular broker-dealer, this compensation might be in excess of customary commissions. Neither Security Devices nor the selling stockholders can presently estimate the amount of such compensation. Notwithstanding the above, no NASD member will charge commissions that exceed 8% of the total proceeds from the sale.

The selling shareholders and any broker/dealers who act in connection with the sale of the shares may be deemed to be "underwriters" within the meaning of ss.2(11) of the Securities Acts of 1933, and any commissions received by them and any profit on any resale of the shares as principal might be deemed to be underwriting discounts and commissions under the Securities Act.

If any selling shareholder enters into an agreement to sell his or her shares to a broker-dealer as principal, and the broker-dealer is acting as an underwriter, Security Devices will file a post-effective amendment to the registration statement, of which this prospectus is a part, identifying the broker-dealer, providing required information concerning the plan of distribution, and otherwise revising the disclosures in this prospectus as needed. Security Devices will also file the agreement between the selling shareholder and the broker-dealer as an exhibit to the post-effective amendment to the registration statement.

The selling stockholders may also sell their shares pursuant to Rule 144 under the Securities Act of 1933.

Security Devices has advised the selling shareholders that they and any securities broker/dealers or others who may be deemed to be statutory underwriters will be subject to the prospectus delivery requirements under the Securities Act of 1933. Security Devices has also advised each selling shareholder that in the event of a "distribution" of the shares owned by the selling shareholder, such selling shareholder, any "affiliated purchasers", and any broker/dealer or other person who participates in the distribution may be subject to Rule 102 of Regulation M under the Securities Exchange Act of 1934 ("1934 Act") until their participation in that distribution is completed. Rule

102 makes it unlawful for any person who is participating in a distribution to bid for or purchase stock of the same class as is the subject of the distribution. A "distribution" is defined in Rule 102 as an offering of securities "that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods". Security Devices has also advised the selling shareholders that Rule 101 of Regulation M under the 1934 Act prohibits any "stabilizing bid" or "stabilizing purchase" for the purpose of pegging, fixing or stabilizing the price of the common stock in connection with this offering.

DESCRIPTION OF SECURITIES

Common Stock

Security Devices is authorized to issue 50,000,000 shares of common stock. As of the date of this prospectus Security Devices had 10,214,880 outstanding shares of common stock. Holders of common stock are each entitled to cast one vote for each share held of record on all matters presented to shareholders. Cumulative voting is not allowed; hence, the holders of a majority of the outstanding common stock can elect all directors.

Holders of common stock are entitled to receive such dividends as may be declared by the Board of Directors out of funds legally available for dividends and, in the event of liquidation, to share pro rata in any distribution of Security Devices' assets after payment of liabilities. The Board of Directors is not obligated to declare a dividend and it is not anticipated that dividends will ever be paid.

Holders of common stock do not have preemptive rights to subscribe to

additional shares if issued by Security Devices. There are no conversion, redemption, sinking fund or similar provisions regarding the common stock. All of the outstanding shares of common stock are fully paid and non-assessable and all of the shares of common stock offered by this prospectus will be, upon issuance, fully paid and non-assessable.

Preferred Stock

Security Devices is authorized to issue 5,000,000 shares of preferred stock. Shares of preferred stock may be issued from time to time in one or more series as may be determined by Security Devices' Board of Directors. The voting powers and preferences, the relative rights of each such series and the qualifications, limitations and restrictions of each series will be established by the Board of Directors. Security Devices' directors may issue preferred stock with multiple votes per share and dividend rights which would have priority over any dividends paid with respect to the holders of Security Devices' common stock. The issuance of preferred stock with these rights may make the removal of management difficult even if the removal would be considered beneficial to shareholders generally, and will have the effect of limiting shareholder participation in transactions such as mergers or tender offers if these transactions are not favored by Security Devices' management. As of the date of this prospectus Security Devices had not issued any shares of preferred stock.

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Transfer Agent

Transhare Corporation, 5105 DTC Parkway, Suite 325, Greenwood Village, CO 80111. Telephone 303-662-1112, Fax 303-662-1113.

LEGAL PROCEEDINGS

Security Devices is not involved in any legal proceedings and Security Devices does not know of any legal proceedings which are threatened or contemplated.

INDEMNIFICATION

The Delaware General Corporation law authorizes indemnification of a director, officer, employee or agent of Security Devices against expenses incurred in connection with any action, suit, or proceeding to which he is named a party by reason of his having acted or served in such capacity, except for liabilities arising from his own misconduct or negligence in performance of his duty. In addition, even a director, officer, employee, or agent of Security Devices who was found liable for misconduct or negligence in the performance of his duty may obtain such indemnification if, in view of all the circumstances in the case, a court of competent jurisdiction determines such person is fairly and reasonably entitled to indemnification. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, or persons controlling Security Devices pursuant to the foregoing provisions, Security Devices has been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

AVAILABLE INFORMATION

Security Devices has filed with the Securities and Exchange Commission a Registration Statement on Form SB-2 (together with all amendments and exhibits) under the Securities Act of 1933, as amended, with respect to the Securities offered by this prospectus. This prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Securities and Exchange Commission. For further information, reference is made to the Registration Statement which may be read and copied at the Commission's Public Reference Room at 100 F. Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The registration statement is also available at www.sec.gov, the website of the Securities and Exchange Commission.

SECURITY DEVICES INTERNATIONAL, INC.
 (A Development Stage Enterprise)
 FINANCIAL STATEMENTS
 NOVEMBER 30, 2005
 Together with Report of Independent Registered Public Accounting Firm
 (Amounts expressed in US Dollars)

SECURITY DEVICES INTERNATIONAL, INC.
 (A Development Stage Enterprise)
 FINANCIAL STATEMENTS
 NOVEMBER 30, 2005
 (Amounts expressed in US Dollars)

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Schwartz Levitsky Feldman llp
 CHARTERED ACCOUNTANTS
 TORONTO, MONTREAL, OTTAWA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
 Security Devices International, Inc.
 (A Development Stage Enterprise)

We have audited the accompanying balance sheet of Security Devices International, Inc. (incorporated in Delaware, United States of America) as at November 30, 2005 and the related statements of operations, cash flows and stockholders' deficiency for the nine month period (since inception) then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company

Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Security Devices International, Inc. as of November 30, 2005, and the results of its operations and its cash flows for the nine month period (since inception) then ended in accordance with generally accepted accounting principles in the United States of America.

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. As discussed in note 2 to the financial statements, the company has not commenced operations and has no source for operating revenue and expects to incur significant expenses before establishing operating revenue. The Company's future success is dependent upon its ability to raise sufficient capital, not only to maintain its operating expenses, but also to continue to develop and be able to profitably market its product. There is no guarantee that such capital will be available on acceptable terms, if at all. That raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

"SCHWARTZ LEVITSKY FELDMAN LLP"

Toronto, Ontario, Canada
February 17, 2006

Chartered Accountants

1167 Caledonia Road
Toronto, Ontario M6A 2X1
Tel: 416 785 5353
Fax: 416 785 5663

SECURITY DEVICES INTERNATIONAL, INC.
(A Development Stage Enterprise)
Balance Sheet
As at November 30, 2005
(Amounts expressed in US Dollars)

ASSETS

CURRENT ASSETS

Cash	\$ 126

	\$ 126
	=====

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

2

SECURITY DEVICES INTERNATIONAL, INC.
(A Development Stage Enterprise)
Balance Sheet
As at November 30, 2005
(Amounts expressed in US Dollars)

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities (note 4)	\$ 16,076
Loans from Directors/Shareholders (note 6)	8,029

	24,105

STOCKHOLDERS' DEFICIENCY

CAPITAL STOCK (note 5)	6,923	
ADDITIONAL PAID-IN CAPITAL	157,797	
DEFICIT, ACCUMULATED DURING THE DEVELOPMENT STAGE		(188,699)

(23,979)		
	\$ 126	
	=====	

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

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SECURITY DEVICES INTERNATIONAL, INC.
(A Development Stage Enterprise)
Statement of Operations
For the nine months ended November 30, 2005 (since inception)
(Amounts expressed in US Dollars)

RESEARCH AND PRODUCT DEVELOPMENT COST		\$ 80,000
OTHER OPERATING EXPENSES:		
General and Administration	21,475	
Legal and Accounting	21,974	
Consulting and Professional	65,250	

TOTAL EXPENSES	188,699

LOSS BEFORE INCOME TAXES	(188,699)

Income taxes	--
NET LOSS	\$ (188,699)
	=====
Loss per share - basic and diluted	\$ (0.03)
	=====
Weighted average common shares outstanding	6,808,409
	=====

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

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SECURITY DEVICES INTERNATIONAL, INC.
(A Development Stage Enterprise)
Statement of Cash Flows
For the nine months ended November 30, 2005 (since inception)
(Amounts expressed in US Dollars)
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss for the period	\$ (188,699)
Items not requiring an outlay of cash:	
Issue of shares for professional services	65,250
Increase in accounts payable and accrued liabilities	16,076

NET CASH USED IN OPERATING ACTIVITIES	(107,373)

CASH FLOWS FROM INVESTING ACTIVITIES	--

NET CASH USED IN INVESTING ACTIVITIES	--

CASH FLOWS FROM FINANCING ACTIVITIES	
Loans from directors/shareholders	8,029
Proceeds from issuance of common shares	99,470

NET CASH PROVIDED BY FINANCING ACTIVITIES	107,499

NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	
	126
Cash and cash equivalents, beginning of period	--

CASH AND CASH EQUIVALENTS, END OF PERIOD \$ 126

INCOME TAXES PAID --

INTEREST PAID --

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

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SECURITY DEVICES INTERNATIONAL, INC.
(A Development Stage Enterprise) Statement of Changes in Stockholders'
Deficiency For the nine months ended November 30, 2005 (since inception)
(Amounts expressed in US Dollars)

<TABLE>

	<C>	<C>	<C>	<C>	<C>
	Number of Common Shares	Common Shares Amount	Additional Paid-in Capital	Deficit accumulated	Total
Balance as of March 1, 2005	--	--	\$ --	\$ --	\$ --
Issuance of common shares for professional services	6,525,000	6,525	58,725	--	65,250
Issuance of common shares for cash	397,880	398	99,072	99,470	
Net loss for the period	--	--	--	(188,699)	(188,699)
Balance as of November 30, 2005	6,922,880	6,923	157,797	(188,699)	(23,979)

</TABLE>

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

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SECURITY DEVICES INTERNATIONAL, INC.
(A Development Stage Enterprise)
Notes to Financial Statements
November 30, 2005
(Amounts expressed in US Dollars)

1. BASIS OF PRESENTATION

The financial statements include the accounts of Security Devices International Inc. (the "Company"). This is the first period of the financial statements which commenced March 1, 2005 and ended November 30, 2005. The Company's fiscal year ends on November 30.

2. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the laws of the state of Delaware on March 1, 2005. The company plans to develop and market a wireless, non-lethal weapon for use in law enforcement, defense and personal security. The company's product in the making is similar to the widely used Stun Gun, except that it can effectively incapacitate offenders from a distance as far as 30 meters without a trail of wires leading back to the launcher.

The company has not commenced operations. It has no source for operating revenue and expects to incur significant expenses before establishing operating revenue. The Company's future success is dependent upon its ability to raise sufficient capital, not only to maintain its operating expenses, but to continue to develop and be able to profitably market its product. There is no guarantee that such capital will be available on acceptable terms, if at all.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Use of Estimates

These financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America. Because a precise determination of assets and liabilities, and correspondingly revenues and expenses, depends on future events, the preparation of financial statements for any period necessarily involves the use of estimates and assumption. Actual amounts may differ from these estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

SECURITY DEVICES INTERNATIONAL, INC.
(A Development Stage Enterprise)
Notes to Financial Statements
November 30, 2005
(Amounts expressed in US Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Income taxes

The Company accounts for income taxes under the provisions of SFAS No. 109, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred income taxes are provided using the liability method. Under the liability method, deferred income taxes are recognized for all significant temporary differences between the tax and financial statement bases of assets and liabilities.

Current income tax expense (recovery) is the amount of income taxes expected to be payable (recoverable) for the current period. A

deferred tax asset and/or liability is computed for both the expected future impact of differences between the financial statement and tax bases of assets and liabilities and for the expected future tax benefit to be derived from tax losses. Valuation allowances are established when necessary to reduce deferred tax asset to the amount expected to be "more likely than not" realized in future tax returns. Tax law and rate changes are reflected in income in the period such changes are enacted. Due to valuation allowance for deferred tax assets, there are no deferred tax benefits or expenses for the period ended November 30, 2005.

c) Revenue Recognition

The Company's revenue recognition policies are expected to follow common practice in the manufacturing industry.

d) Stock Based Compensation

The Company has adopted SFAS No. 123, Accounting for Stock-Based Compensation, as amended by SFAS No. 148 which introduced the use of a fair value-based method of accounting for stock-based compensation. It encourages, but does not require, companies to recognize compensation expenses for stock-based compensation to employees based on the new fair value accounting rules. The Company chose to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any,

SECURITY DEVICES INTERNATIONAL, INC.
(A Development Stage Enterprise)
Notes to Financial Statements
November 30, 2005
(Amounts expressed in US Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) Stock Based Compensation (cont'd)

Pro-forma information regarding net loss and loss per share is required by FAS No. 123 (Amended by FAS No.148) - "Accounting for Stock Based Compensation" and should be determined as if the company had accounted for its employee stock options based on fair values at the grant date for options granted under the Plan. Since no stock options were granted during this period, the pro-forma impact is not applicable. No pro-forma information is given since the company did not issue any stock options in this period.

e) Loss per Share

The Company has adopted FAS No. 128, "Earnings per Share", which requires disclosure on the financial statements of "basic" and "diluted" loss per share. Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding for the year. Diluted loss per share is computed by dividing net loss by the weighted average number of common shares outstanding plus common stock equivalents (if dilutive) related to stock options and warrants for each year.

f) Fair values

The carrying amount of the Company's cash, accounts payable and accrued liabilities approximates fair values because of the short term maturity of these instruments.

g) Research and Product Development

Research and Product Development costs, other than capital expenditures but including acquired research and product development costs, are charged against income in the period incurred.

h) Foreign Currency

The Company maintains its books, records and banking transactions in U.S. dollars which is its functional currency. As such, no translation adjustment is created.

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SECURITY DEVICES INTERNATIONAL, INC.

(A Development Stage Enterprise)

Notes to Financial Statements

November 30, 2005

(Amounts expressed in US Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i) Recent Pronouncements

SFAS NO. 123R- In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 123R, "Share-Based Payment" ("FAS 123R"), which revised FAS 123 "Accounting for Stock-Based Compensation". FAS 123R requires measurement and recognition of the costs of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award, recognized over the period during which an employee is required to provide service in exchange for such award. Implementation is required as of the first interim or annual reporting period that begins after December 15, 2005 for public entities that file as small business issuers. Management intends to comply with this statement at the scheduled effective date for the relevant financial statements of the Company.

In November 2004, the Financial Accounting Standards Board issued SFAS 151, which revised ARB No.43, relating to inventory costs. This revision is to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage). This Statement requires that these items be recognized as a current period charge regardless of whether they meet the criterion specified in ARB 43. In addition, this Statement requires the allocation of fixed production overheads to the costs of conversion be based on normal capacity of the production facilities. This Statement is effective for financial statements for fiscal years beginning after June 15, 2005. Earlier application is permitted for inventory costs incurred during fiscal years beginning after the date of this Statement is issued. Management believes this Statement will have no impact on the financial statements of the Company once adopted.

In December, 2004, the FASB issued SFAS 152, which amends SFAS. 66, Accounting for Sales of Real Estate, to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, ACCOUNTING FOR REAL ESTATE TIME-SHARING TRANSACTIONS. This Statement also amends SFAS 67, ACCOUNTING FOR COSTS AND INITIAL RENTAL OPERATIONS OF REAL ESTATE PROJECTS, to state that the guidance for:

- (a) incidental operations; and (b) costs incurred to sell real estate projects does not apply to real-estate time-sharing transactions. The

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

accounting for those operations and costs is subject to the guidance in SOP 04-2. This Statement is effective for financial statements for fiscal years beginning after June 15, 2005. Management believes this Statement will have no impact on the financial statements of the Company once adopted.

In December 2004, the FASB issued SFAS 153. This Statement addresses the measurement of exchanges of Non-monetary assets. The guidance in APB No. 29, ACCOUNTING FOR NONMONETARY TRANSACTIONS, is based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. This Statement amends APB No. 29 to eliminate the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This Statement is effective for financial statements for fiscal years beginning after June 15, 2005. Earlier application is permitted for non-monetary asset exchanges incurred during fiscal years beginning after the date of this Statement is issued. Management believes this Statement will have no impact on the financial statements of the Company once adopted.

Financial Accounting Standards Board ("FASB") Statement No. 154 Accounting Changes and Error Corrections--a replacement of APB Opinion No. 20 and FASB Statement No. 3

This Statement replaces APB Opinion No. 20, Accounting Changes, and FASB Statement No. 3, Reporting Accounting Changes in Interim Financial Statements, and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement applies to all voluntary changes in accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Opinion 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. This Statement requires retrospective application to prior periods' financial statements of changes in accounting principle, unless it is impracticable to determine

either the period-specific effects or the cumulative effect of the change. When it is impracticable to determine the period-specific effects of an accounting change on one or more individual prior periods presented, this Statement requires that the new accounting principle be applied to the balances of assets and liabilities as of the beginning of the earliest period for which retrospective application is practicable and that a corresponding adjustment be made to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) for that period rather than being reported in an income statement. When it is impracticable to determine the cumulative effect of applying a change in accounting principle to all prior periods, this Statement requires that the new accounting principle be applied as if it were adopted prospectively from the earliest date practicable.

This Statement defines retrospective application as the application of a different accounting principle to prior accounting periods as if that principle had always been used or as the adjustment of previously issued financial statements to reflect a change in the reporting entity. This Statement also redefines restatement as the revising of previously issued financial statements to reflect the correction of an error.

This Statement requires that retrospective application of a change in accounting principle be limited to the direct effects of the change. Indirect effects of a change in accounting principle, such as a change in nondiscretionary profit-sharing payments resulting from an accounting change, should be recognized in the period of the accounting change.

SECURITY DEVICES INTERNATIONAL, INC.
(A Development Stage Enterprise)
Notes to Financial Statements
November 30, 2005
(Amounts expressed in US Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

This Statement also requires that a change in depreciation, amortization, or depletion method for long-lived, non financial assets be accounted for as a change in accounting estimate affected by a change in accounting principle.

This Statement carries forward without change the guidance contained in Opinion 20 for reporting the correction of an error in previously issued financial statements and a change in accounting estimate. This Statement also carries forward the guidance in Opinion 20 requiring justification of a change in accounting principle on the basis of prefer ability.

FASB Statement No. 154 is effective for fiscal years beginning after December 15, 2005.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

Payables	\$ 5,210
Accrued liabilities	10,866

5. CAPITAL STOCK

a) Authorized

50,000,000 Common shares, \$0.001 par value

And

5,000,000 Preferred shares, \$0.001 par value

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SECURITY DEVICES INTERNATIONAL, INC.

(A Development Stage Enterprise)

Notes to Financial Statements

November 30, 2005

(Amounts expressed in US Dollars)

5. CAPITAL STOCK (cont'd)

b) Issued

6,922,880 Common shares

c) Changes to Issued Share Capital

- i) On March 3, 2005, the Company authorized the issuance of 6,000,000 common shares to promoters for services rendered for total consideration of \$60,000.
- ii) On March 4, 2004, the Company authorized the issuance of 525,000 Common shares for services rendered for total consideration of \$5,250.
- iii) On April 15, 2004 the Company the issuance of 397,880 Common shares for cash for a total consideration of \$99,470.

d) Purchase Warrants

During the current year no warrants were issued.

6. RELATED PARTY TRANSACTIONS

During the period ended November 30, 2005 no director was paid any compensation in cash. All out of pocket expenses of directors/promoters were expensed. The directors/promoters were however issued shares in lieu of services rendered, which were measured and recorded at the exchange amount. The Directors also made advances to the Company to meet the operating expenses. These advances of \$8,029 are unsecured and bear interest at 4% per year. Further, a Company Director has charged the Company a total amount of \$2,250 for providing office space for the nine month period.

7. INCOME TAXES

The Company has certain non-capital losses of approximately \$188,699 available, which can be applied against future taxable income and which expires by 2025.

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7. INCOME TAXES (cont'd)

Reconciliation of statutory tax rate to the effective income tax rate is as follows:

Federal statutory income tax rate	(34.0) %
State income taxes, net of tax benefit	(3.5) %

Deferred tax asset valuation allowance	(37.5) %

Effective rate	(0.0) %

Deferred tax asset components as of November 30, 2005 are as follows:

Operating losses available to offset future income-taxes	\$188,699
Valuation Allowance	(\$188,699)

Net deferred tax assets	--

As the company is in the development stage, it has provided a 100 per cent valuation allowance on the net deferred tax asset as of November 30, 2005.

8. SUBSEQUENT EVENTS

a) Private placement offering

On December 15, 2005, the Company authorized a private placement offering of its common stock of up to 500,000 common shares at \$0.10 per share (the "Offering"). No commission is being paid to any of the Company's officers or directors in connection with this offering. The Company has, however agreed to pay selected sales agents a commission not to exceed 10% of the amount sold in the offering. The offering is intended as a non-public offering exempt from registration under section 4(2) of the Securities Act of 1933, as amended, and/or Regulation D promulgated pursuant to the Act and the securities laws and regulations of certain states in the USA.

The net proceeds of this offering will be used primarily to meet with the legal, audit and patent costs.

The Offering was oversubscribed; the Company received \$95,600 and issued 956,000 shares in lieu thereof. These shares of Common Stock are restricted securities as defined in Rule 144 of the Securities and Exchange Commission.

b) The Company's officers and directors have agreed to serve without compensation until commercial sales begin. The Company has agreed to pay a director a royalty equal to 3% of the Company's sales.

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