Rapid Dose Therapeutics Corp.

Management's Discussion and Analysis

November 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Rapid Dose Therapeutics Corp. (the "Company") for the three-month period November 30, 2024, and should be read in conjunction with the audited Consolidated Financial Statements and the accompanying notes which have been prepared in accordance with International Financial Reporting Standards.

The MD&A is the responsibility of management and is dated as of January 28, 2025.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.rapid-dose.com.

Forward-Looking Statements

Certain statements in this MD&A contain "forward-looking information," within the meaning of applicable securities laws, including the "safe harbour provisions" of the Securities Act (Ontario) with respect to the Company. Such statements include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and our objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to our plans and objectives, or estimates or predictions of actions of customers, suppliers, competitors or regulatory authorities. These statements are subject to certain risks, assumptions and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The words "believe", "plan", "intend", "estimate", "expect", "anticipate" and similar expressions, as well as future or conditional verbs such as "will", "should", "would" and "could" often identify forward-looking statements. We have based these forward-looking statements on our current views with respect to future events and financial performance. With respect to forward-looking statements contained in this MD&A, the Company has made assumptions and applied certain factors regarding, among other things: future product pricing; costs of inputs; its ability to market products successfully to its anticipated clients; reliance on key personnel; regulatory requirements; the application of federal and state environmental laws; and the impact of increasing competition. These forward-looking statements are also subject to the risks and uncertainties discussed in the "Risks Factors" section of the CSE Listing Statement as filed on SEDAR and elsewhere in this MD&A and other risks detailed from time to time in the publicly filed disclosure documents of the Company which are available at www.sedar.com and on the Company's website at www.rapid-dose.com. Forward-looking statements are not a guarantee of future performance and involve risks, uncertainties and assumptions which could cause actual results to differ materially from the conclusions, forecasts or projections anticipated in these forward-looking statements. Because of these risks, uncertainties and assumptions, the reader should not place undue reliance on these forward-looking statements. The Company's forward-looking statements are made only as of the date of this MD&A and, except as required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances.

See page 17 for Material assumptions and risk factors for forward-looking statements.

The Company

The Company is a public Canadian life-sciences corporation that provides innovative, proprietary, drug-delivery technologies designed to improve outcomes and quality of lives. The Company owns a proprietary oral fast-dissolving drug delivery system, QuickStrip™, which is capable of rapidly releasing into the blood stream a list of pharmaceuticals, emulsified oils and over-the-counter medicines without being degraded or modified by first pass metabolism in the liver. The Company also provides product innovation, production and consultation to the nutraceutical, cannabis healthcare and pharmaceutical manufacturing industries.

The Company is a reporting issuer in Ontario, Alberta and British Columbia and its common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the trading symbol "DOSE".

The Company is incorporated under the laws of Ontario. Its head office and registered office is located at 1121 Walker's Line, Unit 3A, Burlington, Ontario, L7N 2G4.

Business Overview

For the three-month period ended November 30, 2024, the Company recognized revenue of $501,689 (November 30, 2023 - $ 233,814) and incurred a net comprehensive loss of $1,364,481 (November 30, 2023 - $981,078). Expenses during the period, amounting to $1,634,815 (November 30, 2024 – $1,110,477) including the non-cash charge for personnel costs of $372,313 (November 30, 2023 – $nil) for stock-based compensation for stock options issued under the Company's share option plan. Other non-cash charges were accretion expense of $252,302 and depreciation of $48,160 (November 30, 2023 – $152,837 including right of use amortization).

The Company expects losses to continue in the near term as it completes the final stages of its preparations for global product launches in nutraceuticals, pharmaceuticals, cannabis and vaccines.

As at November 30, 2024, the Company had a working capital deficiency of $2,542,734 (November 30, 2023 – $3,951,615) reduced by payment of maturing debt financed through issue of non-convertible notes and an accumulated deficit of $42,977,560 (November 30, 2023 - $37,219,936).

The continued operation of the Company is dependent on the support of its creditors and the Company's ability to secure advances from related parties and debt and equity financing to meet its existing obligations and finance its operations.

Social Responsibility

The Company fosters an environment of social responsibility in every aspect of the business which promotes tolerance, acceptance and care of People, Products and the Planet. The Company remains committed to discovering ways to mitigate excess packaging (within the regulations), reducing overall waste, and finding environmental solutions that align with its mission to make an impactful difference in the lives of its customers. As the Company's plan for the introduction of new Cannabis 2.0 regulated products and non-regulated Hemp topical lotions continue to evolve, research into the various packaging methods has been successful in developing novel formats that encourage environmental responsibility. The Company also continues to reinforce the concept of a remote, flexible workplace, which allows each team member to function from their remote locations and limit face-to-face meetings to respond to the pandemic safety measures as well as committing to reducing our carbon footprint in as many ways as possible.

Development of new business opportunities

The Company has focused on developing new oral thin film products which have worldwide health and medical applications. The three primary areas of continuing development are the nicotine, dental and cannabis sectors. The nicotine and dental sector development initiatives have been undertaken pursuant to agreements with strategic partners, who have co-developed the products and initiated market acceptance testing. The collaboration strategy has enabled RDT to minimize the costs and risks of development outlays while RDT's retention of the rights to commercialize the products provides the necessary future financial benefit to the Company and its investors providing the funds.

RDT has undertaken the continuing development of cannabis products with internal staffing and resources and with a strategic partner for the development of non-psychoactive cannabidiol (CBD) and its metabolites for the adult market. RDT's development team is doubling the number of SKUs available to medical clients, through formulation of CBC, CBG, CBN and THC-B cannabinoid strips. The products come on stream in April 2025 with RDT's existing cannabis customer base introducing these SKUs to their medical client base. The Company's customer base in Canada has grown in both numbers and quantity of orders in 2024, with the hire of Todd Masse as the Company's Director of Sales. The consistent quality and timely delivery of its products to Canadian licensed producers has enabled it to increase its selling prices and margins. The Company's credit policies have enabled it to manage its credit terms, avoiding credit losses in a sector where credit risks are considered significant business concern by suppliers to the industry.

Micro Processing Licence

Product approvals

On November 15, 2024, the Company received its Health Canada cannabis site license renewal for its Burlington, Ontario facility. The Excise Tax license renewal was granted concurrently. The Company's next renewal date is May 15, 2025. The Company continues to operate under the micro-processing regime as the quantity of cannabis product consumed in the strip manufacturing process is substantially below the annual threshold of 600Kg.

The facilities lease expired on March 31, 2024, and has been replaced by a lease amendment extending through to August 31, 2024, under the same terms and conditions of the expired lease. Under the expired lease which and the initial extension to August 31, 2024, the base rent was $7.50 per square foot. Subsequent to August 31, 2024, the rental rate increased to $18.25 per square foot through to January 31, 2025. Thereafter the Company will continue to lease the facility under the terms of a seven-year lease agreement until January 31, 2032. The cost of the leased facility has been adjusted to $15.00 per square effective February 1, 2025, with no rent charged for the first three months to April 30, 2025. RDT committed to the existing facility as it is Health Canada approved and has the capacity to build out a pharmaceutical production unit for the manufacture of strips containing active pharmaceutical ingredients. The term of the lease (7 years) aligns with the timelines in the business development plan for pharmaceutical product manufacture for the Canadian and international market.

The company has applied the practical expedients and did not capitalize the lease during the amending lease stub period.

In June 2023, the Company received approval from the Ontario Cannabis Stores for two products to be sold through the OCS retail and on-line channels, which commenced in the fall of 2023. The Company continues to support the recreational market, although sales have not sufficiently developed to provide a sufficient return on the costs of logistics, regulation and taxation for recreational products.

On February 21, 2022, the Company received the renewal of its excise tax licence granted by the Canada Revenue Agency. The excise tax licence will allow the Company to accept delivery of cannabis oil from its customers for the production of QuickStrip™ which will be delivered back to the customers.

In July 2021, the Company was audited by the Cannabis Directorate of Health Canada for the purpose of obtaining a full cannabis sales licence. The follow-on Inspection Report issued November13th 2021 contained no major or critical observations and licensing was subsequently granted.

On November 15, 2019, the Company was granted a micro-processing licence by Health Canada for its Burlington, Ontario facility in accordance with the Cannabis Act and Cannabis Regulations. The micro-processing licence will enable the Company to produce cannabis infused QuickStrip™ products for the Canadian market under manufacturing agreements with Canadian licensed producers.

Manufacturing Agreements
The Company manufactures private label QuickStrip™ products for the Canadian market at its facilities located in Burlington, Ontario.

The Company has manufacturing agreements with the following companies:

Licensed Producer	Date of agreement	Term	Products	Territory
Aurora	November 8, 2019	5 years, renewed annually	CBD and THC products for medical and recreational markets	Canada
Tweed/Canopy Growth	April 2024	2 years	CBD and THC products for medical and recreational markets	Canada

Thrive (Aurora)
The Company produces CBD and THC QuickStrip™ products for Thrive which have been introduced by Thrive throughout Canada into the recreational cannabis market commencing in January 2021 QuickStrip produced products are sold by Thrive under the “Being” brand.

Tweed/Canopy Growth
The Company began production CBD and THC QuickStrip™ products for Tweed in April 2024 with the first delivery of products occurring in May 2024.

Abba Medix-MTL Cannabis

Abba Medix is a Medical Cannabis Company that serves veterans and first responders. They support life after service by providing best in class medical Cannabis Products. The initial shipment of product occurred in August 2024.

Mendo

Mendo is a Medical Cannabis company with the widest selection of products from across Canada and the highest quality compassionate care to patients who truly need it. We understand that for many, pain is a daily part of life and that nobody should have to live in pain when there are treatments available. Medical Cannabis has many medical benefits that ease the pain that traditional medicine cannot offer. Mendo's focus is to provide a safe environment for patients to receive treatment using Medical Cannabis.

Kinhana

Kin Hana Artisan Craft Cannabis is a medical company focusing on the intersection between cultivation, education and wellness. The initial shipment of product occurred in May 2024.

Entourage

Entourage operates a medical platform supported by The Laborers' International Union of North America (LIUNA) a growing union of construction workers, service, healthcare and other workers in Canada. The initial shipment of the product occurs in January 2025.

Distributor agreements

The Company entered into several supply and sales agreements during the Fiscal Year 2024. These agreements provide opportunities to sell the Company's existing nutraceutical products in Canada and the United Kingdom and cannabis products throughout the Canadian provinces. In addition, the agreements provide the subsidiary, CCB, with distributors for existing and developing product portfolios.

Distributor	Date of agreement	Term	Territory
ANCAR Canada Limited	May 2, 2021	3 years	Canada and United States

ANCAR has developed a convenience store retail channel for nutraceutical products.

Skycare Compounders - Pharmaceutical Drug Development

Subsequent to the signing of the collaboration agreement with Skycare Compounding on April 21, 2022, the Company and Skycare have been working on the development of products for the medical and dental industry. The pharmaceutical products will be produced in Skycare's compounding facility operated by Skycare using RDT's equipment and production processes under a revenue sharing agreement.

The company has completed the setup and installed the equipment at Skycare's Licensed compounding facility to produce multiple pharmaceutical products for the medical market including Dental products. Product development has been completed, and the products will be distributed and sold to Dental Clinic's, Doctors' Offices, Hospitals and Pharmacy's. The major expenditures have been completed including years of Research & Development, facility & production setup, equipment installation, training, packaging development & design, Certificates of Analysis, Standard Operating procedures, product testing, website development, marketing trials and sales contract agreements in process for sales. Skycare is responsible for the manufacturing, sales and distribution under the agreement.

Dental Market

RDT and Skycare announced the successful launch of two initial dental products, Xylitol and Lidocaine strips. The "Xylitol" solution addresses "dry mouth", a serious health condition affecting greater than 25% of the North American population. Over $3.0B per annum is spent on dry mouth treatments in Canada. "Lidocaine" is an alternative pain therapy which manages pain and replaces other pain therapy solutions during dental procedures.

RDT and Skycare engaged sales support resources to develop the Canadian dental market commencing with a roll out introduction to dentists and clinicians in September 2024 through conferences, trade shows, education clinics and in office presentation. The sales team has introduced the product to 400 dental practices in the three months ending November 30, 2024, and is in discussions with two multi location dental DSOs with their network of dental practices of over 1,000 clinics. In the first 60 days since launch, forty (40) clinics purchased strips for their practice. The strips are primarily used as replacement for the gels and other freezing products along with needle replacement for minor dental applications such as fillings and cleanings. The strip application is a cost-effective alternative for traditional dental procedures and provides dentists with a quick acting pain free alternative appreciated by their patients.

Nicotine

In the nicotine segment, the Company has entered into a research and development ("R&D") project in collaboration with one of the world's largest tobacco manufacturers. The objective is to develop a new nicotine product, complete with flavoring and packaging. The Company anticipates submitting an FDA approval application for the US market in 2025. Furthermore, the Company's tobacco collaborator has engaged a third-party marketing firm to create a comprehensive global forecast. Additionally, a human nicotine trial involving twenty-four (24) patients was conducted to evaluate its impact on heart health in comparison to other nicotine products.

The nicotine market is significant as currently there are over 20.0 billion cigarettes being consumed daily on a global basis, and the Company's channel partner is one of the industry's largest players. The Company's role in the sector is to provide manufacturing and continuing product development, through joint venture relationships.

Pharmaceutical

In the pharmaceutical segment, the Company is in the process of launching Tadalafil and Sildenafil (generic versions of Cialis and Viagra), both proven erectile dysfunction molecules through a strategic partnership with Skycare. The products will be available online through licensed medical channels and to doctors, pharmacies, and hospitals. The opportunity in addressing erectile disfunction is a significant market opportunity as it affects approximately 40% of men by age 40 and nearly 70% by age 70. In 2021, the global market was estimated to be approximately US$2.296 billion, growing at over 8% per annum. RDT is committed to making a substantial impact in this field. The costs of the roll out of the ED strategy for the Canadian market will be incorporated into the fiscal year 2026 budget.

Vaccines

In the vaccine segment, the Company initiated numerous research projects to evaluate the integration of vaccines into RDT's strips including the ability to infuse a Fentanyl vaccine into the QuickStrip. This particular vaccine is a unique offering that addresses the growing opioid addiction crisis in North America. The Company is investigating how to deliver a novel vaccine to prevent fentanyl from harming people who have taken it intentionally or accidentally. A vaccine could help to prevent fentanyl related deaths. The advantages of sublingual strip technology in the vaccine market are potentially extensive and include:

- Eliminating the need for needles.
- Eliminating the need for cold chain or reconstitution.
- Eliminating the need for qualified professional health care administration.
- Precise and reproducible dosing.
- Cost savings at government and local levels.

COVID mRNA Vaccine QuickStrip

The company continues the ongoing research with the oral delivery of the COVID vaccine without the need for cold-chain logistics. We have established relationships with pharmaceutical companies who have developed vaccines and want to investigate the QuickStrip delivery format. Revenue for the R&D by RDT will be generated as a fee for service with strategic pharmaceutical partners and through application of government funding grants similar to the IRAP grants received in fiscal years 2021 and 2022.

The additional expenditures for the submission of IP to the USPO or other jurisdictions is budgeted as an annual expenditure of $300,000. In addition, the Company has contracted for services of $225,000 annually for project management and the development of pharmaceutical relationships. The costs of testing are funded by and is the responsibility of strategic pharmaceutical partners who own the vaccines.

Key players in the UK associated with the WHO and the global pandemic preparedness group 100 Days Mission are aware of the RDT delivery platform and are supportive of its continued development.

Company in conjunction with McMaster University received the award of a Mitacs Accelerate grant, with a cost to RDT of $30,000 in May 2024 in addition to $55,000 expended in 2023, to continue the development of Thin Polymer Films for the Vaccine Delivery Project, led by Prof. Alex Adronov, of McMaster University. This grant-funded research project aims to support further formulation development and proof of-concept studies to develop the capability to vaccinate individuals leveraging RDT's QuickStrip™ Oral Thin Film ("OTF ") technology.

Previously, the initial phase of research led by Prof. Alex Adronov had demonstrated that the RDT QuickStrip™ technology is effective at encapsulating and releasing biomolecules and m-RNA loaded lipid nanoparticles. The delivery is made possible by RDT's QuickStrip™ technology. This work will pave the way for buccal or sublingual vaccine delivery, eliminating the need for costly and unpleasant intramuscular injections. In addition, investigation of thermal stability of active ingredients within the OTF is underway, which will help alleviate the need for cold-chain storage and transport of these delivery constructs. The project has further evolved to study a variety of biomolecules where formulation optimization and various proof of concept experiments, both in vitro and in vivo, are under way.

Nutraceuticals

The Company's nutraceutical products are being distributed through "Circle K" and "Relay" stores at airports as well as through online e-commerce channels. This distribution network ensures that consumers have convenient access to the Company's nutraceutical products across various retail channels. RDT can provide partners with over 40 sublingual / buccal products to select from, ranging from nutraceuticals to dental, pharmaceuticals to nicotine.

Clinical Studies

May 29, 2024 – The Company is working on a formulated CBD/THC strip for Dr. J. Patrick Neary and researchers at the University of Regina who are leading a research project in a National Football League (NFL) – funded clinical trial program entitled "Naturally Produced Cannabinoids for Pain Management and Neuroprotection from Concussion and Participation in Contact Sports" led by. RDT will partake in a randomized, two-arm clinical study, which is part of a larger clinical program designed by an expert team of cerebrovascular and neurophysiologists, clinical psychologists, pharmacokineticists, and physicians from the Universities of Regina, Saskatchewan, and British Columbia.

The primary research objective of the study is to determine the relative oral bioavailability and other pharmacokinetic (PK) parameters of the non-psychoactive cannabidiol (CBD) and its metabolites, when administered to a healthy adult population as RDT's sublingual QuickStrip™ product, versus a standard oral formulation.

The data generated from this study will demonstrate the efficacy of the QuickStrip™ product and serve as the basis for including RDT's QuickStrip™ in the subsequent clinical studies as part of the overall clinical program funded by the NFL. "This study has the potential to change not only the lives of current and former NFL players, but also the lives of anyone who may suffer from a concussion," said Dr. Patrick Neary, exercise physiologist and professor in the Faculty of Kinesiology and Health Studies at the University of Regina.

May 22, 2024 - The Company in partnership with McMaster University ("McMaster") demonstrated the results of their collaborative research project titled "Incorporation of Loratadine-Cyclodextrin Complexes in Oral Thin Film Strips. Loratadine, sold under the brand name Claritin, among others, is an antihistamine commonly used to treat allergic rhinitis. It undergoes liver first pass metabolism and is a prime candidate for incorporation within an OTF.

This research project enabled RDT to advance its formulation capabilities by successfully utilizing a method that increases the solubility of the commonly used drug loratadine, allowing it to be effectively loaded into the QuickStrip™ delivery platform.

Collaborative Research

The Company is continuing to develop its commercialization opportunities during the testing phases to ensure that, with successful outcomes, the Company is prepared to execute a go to market plan that covers the shortest possible timelines within the constraints of the regulatory processes for applying and approving a vaccine delivery alternative.

In May 2021, the Company, McMaster University and the National Research Council (NRC) entered into a three-way material transfer agreement which provided the research team at McMaster University in early June 2021 with the Covid-19 spike protein in sufficient quantities to enable animal testing of the QuickStrip™ infused with the spike protein for the purpose of determining the capabilities of developing antibodies from this vaccine delivery method. The COVID pandemic has provided a unique opportunity for the Company to exploit their flagship QuickStrip™ technology as an efficient and effective vaccine delivery method for a variety of viruses including COVID, SARS, Ebola, Yellow Fever, and Malaria. The use of the QuickStrip™ simplifies the logistics challenges of delivering vaccines to the world's most remote communities by eliminating the cost and access to freezer storage and eliminating the requirement to allocate health care professionals for administering needles. The Company is confident that suitable partners in the pharmaceutical industry will be anxious to test infusing their own vaccine formulations into the QuickStrip™ format.

On July 21, 2020, the Company announced the commencement of COVID-19 vaccine research in conjunction with McMaster University and the team lead by Drs. Alex Adronov, James Mahony and Mark Larché. The federally funded project tests the use of QuickStrip™ for administering vaccines orally as a convenient and safe alternative to injection with needles, the currently accepted delivery format for most vaccines.

On June 19, 2020, the Company filed a non-provisional patent with the USPTO for an "Apparatus for and method of converting CBD and/or CBD derivatives to at least one other type of cannabinoid and/or cannabinoid derivative such as THC". In conjunction with McMaster University and the team led by Dr. James McNulty, RDT has discovered a new and efficient way to create THC from CBD. The project's research has continued on subsequent to the non-provisional patent filing with continuing input from the Company's science research team. These patent applications have been registered in Canada, the United States and in Europe.

On February 4, 2020, the Company secured government funding of $400,000 from The National Research Council of Canada Industrial Research Assistance to support a project focused on commercial development and scale-up manufacturing of cannabis infused QuickStrip™ oral dissolvable film strips. The funding helped the Company to augment product commercialization by enhancing its manufacturing competency while creating new jobs and training skilled technical employees. The Company received $200,000 of its grant funding in the fiscal year ended February 28, 2021, and the final $200,000 in the fiscal year ended February 28, 2022.

On January 23, 2020, the Company announced a new research partnership program entitled "Rapid Delivery of Therapeutics via Dissolution of Polymeric Films" with McMaster University, located in Hamilton, Ontario, Canada. The project focuses on developing novel biopolymer compositions that can offer enhanced drug delivery performance when formulated in oral dissolvable thin films. This research program has been awarded a NSERC Collaborative Research and Development grant by the Natural Sciences and Engineering Research Council of Canada. The project is being administered in conjunction with the vaccine project as a secondary funding source for the McMaster research team.

Share Capital

Authorized

An unlimited number of common shares without par value.

Common Shares

As at November 30, 2024, the Company had 128,442,074 common shares outstanding.
(February 29, 2024 – 117,810,298 common shares outstanding),

A summary of the capitalization is provided as follows:

Common shares	128,442,074
Warrants	27,893,393
Options	12,400,000
Convertible notes (3,134,445)	18,437,912
Fully Diluted	186,173,379

Financial transactions

(i) On January 15, 2025, the Company also issued 681,815 Common Shares at a price of $0.22 per share to the Company's five independent directors for directors fees of $150,000 ($10,000 per director per quarter) for the three fiscal quarters ended November 30, 2024;
(ii) On December 31, 2024, the Company issued 577,677 Common Shares to the holders of the Notes at a deemed issue price of $0.22 per Common Share, being the closing market price of the Common Shares on the CSE on December 31, 2024, in satisfaction of the aggregate of $94,806 of accrued interest owing on the Convertible Notes for the calendar quarter ended December 31, 2024;

(iii) On October 30, 2024, the Company raised $542,000 in the second and final tranche of its previously announced private placement financing through the issue of 3,188,235 common shares at $0.17 per share;

(iv) On July 19, 2024, the Company raised $309,000 in the first tranche of its previously announced private placement financing, through the issue of 1,817,647 of common shares at $0.17 per share;

(v) On May 16, 2024, the Company closed on $250,000 in a fifth tranche of its previously announced private placement financing, through the issue of 1,470,586 of common share units at $0.17 per share bringing the total amount raised to $1,960,000. Each Unit consisted of one (1) common share of the Company (a "**Common Share**") and one (1) common share purchase warrant of the Company (a "**Warrant**"). Each Warrant is exercisable to acquire one (1) Common Share at a price of $0.20 per Common Share for a term of two (2) years from the date of issuance of such Warrant. On this fifth tranche closing of the Financing, 1,470,586 Units were purchased; and accordingly, the Company issued 1,470,586 Common Shares and 1,470,586 Warrants;

(vi) On April 15, 2024, the Company closed on $300,000 in a fourth tranche of its previously announced private placement financing through the issue of 1,764,704 of common share units at $0.17 per share warrants as per (v) above;

(vii) On April 3, 2024, the Company closed on $110,000 in a third tranche of its previously announced private placement financing through the issue of 647,059 common share units at $0.17 per share and warrants per as(v) above;

(viii) On April 1, 2024, the Company issued 9,050,000 stock options with an exercise price of $0.18 per common share expiring April 1, 2026;

(ix) On March 31, 2024, the Company issued 562,936 common shares for interest owing on convertible notes at $0.18 per share and issued 41,553 common shares for interest owing on the related party loan;

(x) On February 28, 2024, the Company cancelled 5,350,000 out of the money stock options, re-issued as part of the grant of stock options on April 1, 2024;

(xi) On February 23, 2024, the Company issued 2,500,000 stock options to directors at an exercise price of $0.15 per common share expiring February 23, 2026;

(xii) On February 23, 2024, the Company closed on $200,000 in a second tranche of its previously announced private placement financing through the issue of 1,176,470 of common share units at $0.17 per share and warrants as per (v) above;

(xiii) On February 16, 2024, the Company closed on $1,100,000 in the first tranche of its previously announced private placement financing through the issue of 6,470,586 of common share units at $0.17 per share warrants as per (v) above;

(xiv) On January 15, 2024, the Company issued 4,349,457 common shares in settlement of $699,813 of unpaid vendor liabilities at a price of $0.16 per share;

(xv) On December 31, 2023, the Company issued 798,942 common shares for interest and fees owing on convertible notes at a price of $0.165 per share;

(xvi) On December 22, 2023, the Company issued $855,000 of secured convertible notes, convertible at $0.17 per common share, together with 4,275,000 warrants at an exercise price of $0.14 expiring November 20, 2025, in a fourth tranche closing of the announced convertible notes private placement financing;

(xvii) On November 14, 2023, the Company issued $500,000 of secured convertible notes at $0.17 per common share, together with 2,500,000 warrants, exercisable at $0.14 per share, in a third tranche closing of the announced convertible notes private placement financing;

(xviii) On September 30, 2023, the Company issued 2,040,888 common shares at $0.10 per share for interest and fees owing on convertible notes and issued 132,397 of common shares for interest and fees owing on the related party loan each at $0.10 per share;

(xix) On September 22, 2023, the Company issued $310,000 of secured convertible notes at $0.17 per common share, together with 1,550,000 warrants exercisable at $0.14 per share in a second tranche closing of the announced convertible notes private placement financing;

(xx) On July 21, 2023, the Company issued $1,469,445 of secured convertible notes at $0.17 per common share, together with 7,347,225 warrants exercisable at $0.14 per share, expiring on November 30, 2025, in the first tranche closing in accordance with the terms of the convertible note private financing agreement;

(xxi) On May 26, 2022, the Company closed a private placement financing which raised $151,847 through the issuance of 506,157 common share units at a price of $0.30 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is entitled to acquire one common share at a price of $0.40 per common share for twenty-four months from the date of issuance;

(xxii) On January 5, 2022, 200,000 share purchase options were issued at $0.51 per share vesting semi-annually over two years and expiring on January 5, 2027;

(xxiii) On December 15, 2021, 500,000 share purchase options were issued at $0.58 per share vesting semi-annually over two years and expiring on December 15, 2026;

(xxiv) During the quarter ended November 30, 2021, 520,437 warrants were exercised in exchange for one common share for each warrant at a price of $0.375 per common share. A further 153,000 warrants were exercised in exchange for one common share at a price of $0.21 per common share and 200,000 warrants were exercised in exchange for one common share at a price of $0.40 per common share. Total proceeds from the issuance of 873,437 common shares amounted to $307,294;

(xxv) During the quarter ended November 30, 2021, 1,966,000 warrants were exercised in exchange for one common share for each warrant at a price of $0.375 per common share. A further 55,000 warrants were exercised in exchange for one common share at a price of $0.21 per common share;

(xxvi) During the quarter ended November 30, 2021, 1,966,000 warrants were exercised in exchange for one common share for each warrant at a price of $0.375 per common share. A further 55,000 warrants were exercised in exchange for one common share at a price of $0.21 per common share;

(xxvii) On March 29, 2021, the Company granted 4,490,000 stock options under the Company's stock option plan to certain directors, officers, employees and consultants, with each option entitling the holder to purchase one common share for $0.24 until March 28, 2024. The options shall vest in four semi-annual increments of 25% commencing September 28, 2021;

(xxviii) On March 19, 2021, 20,000,000 common share units were issued (each, a "Unit") pursuant to a business combination by way of a three-cornered amalgamation between the Company, 2814882 Ontario Inc., a wholly owned subsidiary of the Company, (Subco") and 2544737 Ontario Limited, o/a Consolidated Craft Brands, ("CCB") which closed on March 19, 2022. Each Unit is comprised of one common shares of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant") of the Company, each such Warrant entitling the holder thereof to acquire one Common Share at a price of $0.375 per Common Share at any time on or before March 19, 2024 (note 10). These warrants expired on March 28, 2024;

(xxix) On December 16, 2020, the Company completed a non-brokered private placement of 3,599,370 common shares at a price of $0.25 per common share unit for gross proceeds of $899,843. In connection with the private placement, the Company paid a finder's fee of $87,150 and issued 3,599,370 warrants with each warrant entitling the holder to purchase one common share for $0.40 per common share until December 16, 2022. These warrants expired on December 16, 2022;

(xxx) On October 9, 2019 and October 30, 2019, the Company completed tranches of a non-brokered private placement of 1,276,108 common shares at a price of $0.70 per common share for gross proceeds of $893,276. Of the common shares issued, 227,857 common shares were issued to two directors and officers of the Company. In connection with the private placement, the Company paid a finder's fee of $35,369 and issued 17,684 warrants with each warrant entitling the holder to purchase one common share for $1.00 per common share until October 9, 2021. These warrants expired on October 9, 2021.

Stock options, convertible notes and contributed surplus

The Company adopted a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of an option may not be less than the closing market price during the trading day immediately preceding the date of the grant of the option, less any applicable discount allowed by the Canadian Securities Exchange.

On October 25, 2024, the Company granted 850,000 stock options to employees and a contractor at $0.24 per share. On issue, twenty-five (25%) percent of the options were vested, with further vesting of twenty-five (25%) of the options vested every six months until fully vested on April 25, 2026. Options granted to officers of the Company totaled 500,000 options.

On April 1, 2024, the Company issued 9,050,000 to employees and company consultants at an exercise price of $0.18 per share expiring on April 1, 2026. On issue, twenty-five (25%) percent of the options were vested, with further vesting of twenty-five (25%) of the options vested every six months until fully vested on October 1, 2025.Options granted to officers of the Company totaled 4,350,000 options.

During the year ended February 29, 2024, options amounting to 2,500,000 were issued to independent directors, on February 23, 2024, at $0.15 per share, vesting in accordance with the Company's Stock Option Plan policy, expiring twenty-four months from the date of issue.

On February 28, 2024, the Company's remaining 5,350,000 stock options were cancelled and replaced on April 1, 2024, at $0.18 per share, vesting in accordance with the Company's Stock Option Plan policy, expiring twenty-four months from the date of issue.

A summary of the Company's outstanding stock options, convertible notes and contributed surplus as at November 30, 2024, is presented below:

	Weighted Ave ("$")	Number of Options	Contributed surplus $
Balance, February 28, 2022	0.54	10,281,000	4,146,322
Cancelled	0.24 to 0.82	(1,176,250)	-
Balance, February 29, 2023	0.56	9,104,750	4,853,253
Expired	0.375	(3,754,750)	-
Extinguishment	-	-	(17,202)
Cancelled February 28, 2024	0.24 to 0.82	(5,350,000)	-
Fair valuation of convertible notes	-	-	245,726
Issued, February 23, 2024	0.15	2,500,000	-
Balance, February 29, 2024		2,500,000	
Issued April 1 2024	0.18	9,050,000	426,699
Issued October 25 2024	0.24	850,000	73,544
Balance of options, November 30, 2024		**12,400,000**	-
Other changes to Contributed Surplus:			
Share based compensation 2023			706,931
Share based compensation 2024	-	-	162,249
Share based compensation for the nine-month period ended November 30 2024	-	-	540,706
Options and Contributed Surplus, November 30, 2024		**12,400,000**	**6,284,976**

Warrants

A summary of the continuity of warrant activity is as follows:

	Weighted average price	Number of warrants	Warrant reserve
Balance, February 29, 2023		16,813,838	2,299,675
Expired and extinguished	$0.40	(16,284,681)	(1,720)
Issued – secured convertible note (Note 13)	$0.14	15,672,225	1,291,732
Issued – September 2023 (Note 11)	$0.14	1,250,000	48,486
Issued – private placement (Note 15)	$0.20	7,647,035	530,134
Issued – issuance cost (Note 15)	$0.20	458,823	55,646
Balance, February 29, 2024		25,557,240	4,223,953
Expired and extinguished	$0.40	(506,157)	-
Issued – private placement	$0.20	4,115,289	28,1247
Warrants expired August 4, 2024	$0.20	(23,000)	-
Warrants expired September 22, 2024	$0.14	(1,250,000)	-
Balance, November 30, 2024		**27,893.393**	**4,505,200**

Included in the issued warrants above are warrants issued to directors of the Company amounting to 9,371,855 in connection with the issue of their secured convertible notes and related party debt.

Brokers' Warrants

(i) On April 3, April 15, and May 15, 2024, the Company closed three tranches of private placement financing and issued 3,882,349 warrants to the subscribers of the units and issued 232,940 brokers' warrants in accordance with the terms of the private placement offering. The warrants may be exercised at the price of $0.20 per share expiring on the second anniversary date of the issuance of the warrants.

(ii) On February 16, and again on February 23, 2024, the Company closed two tranches of private placement financing and issued brokers' warrants of 458,823 in accordance with the terms of the private placement offering. The warrants may be exercised at the price of $0.20 per share expiring on the second anniversary date of the issuance of the warrants.

(iii) On January 19, 2022, the Company recorded 200,000 Warrants in its accounts pursuant to the services agreement with the investment adviser. The Warrants have a two-year term and are exercisable during that term at $0.33 each and were cancelled on January 19, 2024.

(iv) On June 3, 2021, the Company issued a further 200,000 Warrants pursuant to the same advisory agreement as in (i) above, having a two-year term and exercisable during that term at $0.21 each. These warrants were exercised during the fiscal year ended February 29, 2024.

(v) On March 29, 2021, the Company issued 200,000 Warrants pursuant to a Public Relations Services Agreement having a two-year term and exercisable during that term at $0.24 each. These warrants expired on March 29, 2024.

(vi) On March 28, 2021, pursuant to an Advisory Agreement, the Company issued 200,000 Warrants having a two-year term and exercisable during that term at $0.21 each. These warrants were exercised during the fiscal year ended February 28, 2022.

Convertible notes private placement financing

Unsecured convertible notes

The Company closed a private placement of unsecured convertible notes (each a "Note") for gross proceeds of $230,000 on November 8, 2022 (the "Offering"). The Company issued 230 units where each unit consisted of $1,000 principal amount of Notes and 100 common share purchase warrants. The Notes, issued in increments of $1,000, bear interest at a rate of 12% per annum, have a term of twenty-four (24) months from the date of issue and are convertible into common shares at a conversion price of $0.40 per share. Each Warrant is exercisable into one Common Share of the Company at an exercise price of $0.40 per Common Share for a period of twenty-four (24) months from the date of issuance of the Notes. Securities issued pursuant to the Offering are subject to a statutory hold period lasting four (4) months and a day after the issuance of the securities. The Company paid issuance costs of $28,955, of which $4,184 was allocated to the equity component of the issuances.

During the year ended February 29, 2024, the Company has recalled convertible notes of $130,000 and issued two secured convertible notes for the amount of the notes and accrued interest thereon. The secured convertible notes have substantially different terms and since there has been a substantial modification of the terms of the existing financial liability. These transactions have been accounted for as an extinguishment of the original financial liability and the recognition of the new financial liability.

On August 8, 2024, the Company repaid the remaining unsecured note of $100,000.

Balance February 29, 2024	$93,362
Accretion expense	6,638
Repayment of unsecured convertible note to convertible secured note	(100,000)
Balance as at November 30, 2024	$ -

Secured convertible notes

During the year, the Company issued secured convertible notes ("Secured Convertible notes") in exchange for gross cash proceeds of $1,935,000, bearing interest of 12% per annum, payable quarterly, payable in common shares of the Company. The holders of the Secured Convertible Notes may convert the principal amount into shares of the Company at a price of $0.17 per share, with a maturity date of November 30, 2025.

At the subscription of the Secured Convertible Notes, each investor was also issued five (5) warrants ("Warrant Shares") to be utilized for the future purchase of shares of the Company. The total number of Subscription Warrants issued was 15,672,225. The holders of the Warrant Shares convert the principal amount into shares of the Company at a price of $0.14 per share. These Subscription Warrants were issued based on the original amount invested into the Secured Convertible Notes. The expiry of the Subscription Warrants is November 30, 2025.

The Company settled $1,199,445 of unsecured debt through the issuance of secured convertible notes. The secured convertible notes have substantially different terms and since there has been a substantial modification of the terms of the existing financial liabilities, these transactions have been accounted for as an extinguishment of the original financial liabilities and the recognition of new financial liabilities.

In connection with the issuance of the Secured Convertible Notes, the Company paid $156,722 for debt issuance fees through the issuance of 1,300,326 common shares to the note holders and incurred legal fees of $109,390. The Company recorded an interest expense of $99,295 (payable in shares of 740,522) and accretion expense of $142,914 for the year ended February 29, 2024.

The Company used the Black-Scholes option-pricing model to estimate fair value of the embedded warrant and conversion feature of loan. The inputs used by management to determine the fair value are the expected future volatility in the price of the Company's shares and the expected life of the Secured Convertible Notes.

The conversion features, embedded warrants require a fixed number of shares to settle, therefore, they meet the criteria of fixed to fixed under IFRS and hence classified as equity. Accordingly, the fair values of these were deducted from the gross proceeds and were accreted over the term of the note.

The Company may prepay the Notes in certain circumstances. During the period from June 30, 2024, to December 31, 2024, the Company shall be entitled to prepay all or any portion of each of the Notes with a prepayment fee payable to each noteholder of 3% of the amount of the principal prepayment of the Note. There shall be no prepayment fee if the Notes are repaid after December 31, 2024. The Notes are secured pursuant to a general security agreement issued by the Company in favour of the various noteholders.

The following range of assumptions were used to value the equity components during the period ended February 29, 2024.

Volatility: 120% to 145%
Risk-free interest rate: 3.22% to 4.02%
Expected life (years): 1.94 to 2.36 years.
Share price: $0.11 to 0.17.
Exercise price: $0.14 - $0.17

A reconciliation of the secured convertible notes payable for the three-month period ended November 30 2024, is as follows:

	Notes	**Warrants**	**Conversion Feature**	**Total**
	$	$	$	$
Balance, February 28, 2023	-	-	-	-
Issuance of convertible notes, net of issuance costs	1,981,960	1,291,732	245,726	3,519,418
Accretion of notes	142,914	-	-	142,914
Balance, February 29, 2024	2,124,874	1,291,732	245,726	3,662,332
Accretion of notes	242,450	-	-	242,450
Balance, November 30, 2024	2,367,324	1,291,732	245,726	3,904,782

Accounts payable and accrued liabilities

	November 30, 2024	**February 29, 2024**
	$	**$**
Accounts payable	1,525,632	1,121,128
Accrued liabilities	1,638,511	1,468,317
	3,164,143	2,589,445

Included in the accounts payable is $12,000 owed to an officer/director of the Company. Unpaid wages for officers of the Company of $106,250 are included in accrued liabilities.

Related party transactions

Related parties include the members of the Board of Directors, key management personnel, and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling activities of the Company, namely Directors, Chief Executive Officer, Chief Financial Officer, and Senior Vice President, Business Development.

Related party debt

On July 21, 2023, $500,000 related party debt was rolled into convertible notes. The balance of the notes of $12,000 and accrued interest is due on demand has been accrued and included in Accounts payable and accrued liabilities.

As consideration for the exchange of the notes, the director/officer received 2,500,000 warrants which may be converted into 2,500,000 common shares at an exercise price of $0.14 expiring on November 30, 2025. In addition, the director/officer received a fee of five percent (5%) of the value of the notes paid in common shares at the trading price of the shares of the Company at that date.

The secured debt loan of $250,000 was taken over by a related party. As part of the agreement to assume the debt obligation, the loan maturity date was extended to September 22, 2024. In exchange the Company issued 1,250,000 warrants to the related party. Each warrant may be exercised for one Common Share at a price of $0.14, for a one-year term. The Company paid a loan fee of $12,500 to the related party by issuing 125,000 Common Shares on October 13, 2023, at the trading price of the shares of the Company at that date. Interest on the Debt is 12.0% per annum calculated monthly, compounded, accrued, added to the principal amount and payable in common shares, quarterly in arrears on a calendar quarter basis until the Debt is fully repaid.

Due to a related parties represents a secured loan from a company controlled by a director of the Company. On September 22, 2024, the related party note of $250,000 including the recognition of the remaining accretion expense of $9,856 was repaid and the unexercised warrants cancelled. On September 30, 2024, the Company issued 39,996 common shares at $0.17 per share as consideration for the $6,799 of interest to September 22, 2024, the date of repayment of the loan.

A summary of the changes in the amount of the related party loan for the nine months ended November 30, 2024, is as follows:

	Notes	Warrants	Total
	$	$	$
Balance, February 29, 2024	217,216	48,486	265,702
Accretion of notes	32,784	-	32,784
Repayment of loan, September 22, 2024	(250,000)	-	(250,000)
Balance, November 30, 2024	**-**	**48,486**	**48,4866**

Compensation of key management personnel

Key management personnel include those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise the directors, executive and non-executive and officers.

The following table sets out the total value of compensation provided to Officers of the Company:

	Three-month period ended November30, 2024			Three-month period ended November 30, 2023		
	Salaries	**Stock-based compensation**	**Total**	**Salaries**	**Stock-based compensation**	**Total**
Officers	**$**	**$**	**$**	**$**	**$**	**$**
Mark Upsdell, for his services as Chief Executive Officer	37,500	44,898	82,398	37,500	-	37,500
Jason Lewis, for his services as Senior Vice President, Business Development	37,500	43,401	80,901	37,500	-	37,500
Douglas Hyland, for his services as Interim CFO	37,500	76,186	113,686	37,500	-	37,500
	112,500	164,485	276,985	112,500	-	112,500

The following table sets out the unpaid compensation to Officers at November 30, 2024

	$
Mark Upsdell	50,000
Douglas Hyland	56,250
	106,250

The Company issued stock options to non-management directors on February 23, 2024. The Company recorded stock-based compensation of $87,374 to the directors of the Company in its accounts as at February 29, 2024. The following table sets out compensation to Directors for options received on February 23, 2024, for the three-month and nine-month periods ended November 30, 2024:

	Three months ended November 30, 2024			Nine months ended November 30, 2024		
Directors	**Directors fees**	**Stock-based compensation**	**Total**	**Directors fees**	**Stock-based compensation**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
John McKimm	10,000	5,577	15,577	30,000	26,026	56,026
Peter Thilo-Hasler	10,000	14,557	24,557	30,000	53,781	83,781
Christine Hrudka	10,000	5,577	15,577	30,000	26,026	56,026
Marisa Cornacchia	10,000	5,577	15,577	30,000	26,026	56,026
Angela O'Leary	10,000	5,577	15,577	30,000	26,026	56,026
	50,000	36,865	86,865	150,000	157,885	307,885

Fees for independent Directors commenced March 1, 2024, in the amount of $10,000 per quarter, the fees payable in cash or in common shares of the Company at the Company's discretion at the end of each quarter at the then current market price. Payment of fees for the period to September 30, 2024, were approved at the Board of Directors October 25, 2024, at the closing price of the shares to be determined at the date of issue. Fees payable to the non-management Board members for the quarter ended November 30, 2024, were declared paid on January 15, 2025 at a price of $0.22 per common share.

Interest paid to officer and directors

During the three-month and nine-month periods ended November 30, 2024, the Company paid interest to officers, directors and related companies of the directors in common shares as follows:

	Three months ended November 30 2024		Nine months ended November 30 2024	
	Interest paid	Common shares issued	Interest paid	Common shares issued
	$		$	
Mark Upsdell	15,123	88,960	45,041	255,170
John McKimm/Madison Partners	17,276	101,622	38,000	216,756
Angela O'Leary	24,197	142,336	72,065	408,272
Christine Hrudka	1,512	8,896	4,504	25,516
Interest paid to officers and directors	**58,108**	**341,814**	**159,610**	**905,714**

Material assumptions and risk factors for forward-looking statements

The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statement	Assumption	Risk factor
Liquidity and Capital Resources "Management is of the opinion that sufficient working capital will be obtained from advances from related parties and equity financings to meet the Company's liabilities and commitments as they become due."	Advances from related parties and equity financings will be obtained and such advances and financings will be in sufficient amounts to meet the Company's liabilities and commitments as they come due.	The Company is unable to obtain future financing to meet its liabilities and commitments as they become due.

Risks and Uncertainties

There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. If any of these risks occur, the Company's business, financial condition or results of operation may be adversely affected.

Limited operating history

Because the Company has a limited operating history and is in an emerging area of business, investors should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues;
- risks relating to different regulatory regimes in different jurisdictions; and
- risks relating to evolving and uncertain regulatory regimes.

The Company's future growth will depend substantially on its ability to address these, and other risks described in this section and in its other continuous disclosure materials available on SEDAR and on the Company's website. If it does not successfully address these risks, its business may be significantly adversely affected.

Managing growth

In order to manage growth and change in strategy effectively, the Company must: (a) maintain adequate systems to meet customer demand; (b) expand sales and marketing, distribution capabilities and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees. The inability of the Company to deal with this growth may have a material adverse effect on its business, financial condition, results of operations and prospects.

Competition
Due to the nature of the Company's proprietary delivery system and the multiple barriers of entry, the Company has very few competitors in the nutraceutical and pharmaceutical industries in which the Company operates, the Company anticipates very little initial competition from large, well-trenched industry competitors. As well, because of the early stage of the cannabis industry in which the Company will operate, the Company expects to have very limited competition from new entrants. To become and remain competitive, the Company will continue its research and development, marketing, sales and support. The Company does not currently have sufficient resources to finance all of the research and development, marketing and sales support efforts which may be required to gain significant market penetration in each of its vertical markets. The inability to remain competitive as the product lines mature could materially affect the business, financial condition and results of operations of the Company.

Retention, acquisition and integration of skilled personnel
The loss of any member of the Company's management team could have a material adverse effect on its business and results of operations. In addition, the inability to hire new personnel and the increased costs of hiring new personnel could have a material adverse effect on the Company's business and operating results.
At present and for the near future, the Company will depend upon a relatively small number of key employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel and the Company may not be successful in attracting, training, integrating, motivating or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Company moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas.

Legal proceedings
From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and, where appropriate, establish reserves for the estimated liabilities in accordance with International Financial Reporting Standards. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Regulatory compliance risks
Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at a great cost to operate its business. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by local governmental authorities. The impact of the compliance regime, any delays in obtaining, or failure to obtain or keep the regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.
The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and the financial condition of the Company.

Reliance on securing and maintaining agreements with licensed partners.
The Company must secure service agreements with licensees that have obtained the requisite licenses with the appropriate regulatory authorities in the targeted jurisdictions to grow, store and sell cannabis products (“Licensees”). The failure of a Licensee to comply with the requirements of their license or to maintain their license would have a material adverse impact on the business, financial condition and operating results of the Company. There can be no guarantee that the applicable licenses will be maintained by Licensees or granted to other prospective Licensees in the future.

Product liability
As a distributor of products designed to be consumed by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused damage, loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products cause injury or illness, include inadequate instructions for use or include inadequate warnings concerning health risks, possible side effects or interactions with other substances.

A product liability claim or regulatory action against the Company could: i) result in increased costs; ii) adversely affect the Company's reputation with its Licensed Partners and consumers generally; and iii) have a material adverse effect on the results of operations and financial condition of the Company. There can be no assurance that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Intellectual property
The Company has certain proprietary intellectual property, including but not limited to brands, trademarks, trade names, patent applications and proprietary processes. The Company relies on this intellectual property, know-how and other proprietary information, and generally requires employees, consultants and suppliers to sign confidentiality agreements. The company requires all customers, partners and organizations that receive any materials from the Company to sign a Material Transfer Agreement acknowledging the Intellectual property confidentiality, Company ownership and authorized usage However, any confidentiality agreement may be breached, and the Company may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any of the Company’s proprietary technology. Third parties may otherwise gain access to the Company’s proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on the Company’s business, results of operations or prospects.

Unfavourable publicity or consumer perception
The success of the Company’s products may be significantly influenced by the public’s perception of marijuana’s medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

Consumer acceptance
There can be no assurance that the Company will develop any product that will be met with widespread consumer acceptance. Both new and established products fail to generate consumer interest on a regular basis. There is no assurance that the Company’s products will be successfully adopted by consumers at one time or will still be in demand in the future. If the Company cannot develop and sell products in commercial quantities, the Company’s current strategy will fail.

Insurance coverage
The Company’s insurance coverage includes policies covering general liability, product liability, errors and omissions, marine cargo and property/machinery insurance.
The Company's production is, in general, subject to different risks and hazards, including adverse weather conditions, fires, other natural phenomena, industrial accidents, labour disputes, changes in the legal and

regulatory framework applicable to the Company and environmental contingencies. Although management of the Company believes that the events and amounts of liability covered by its insurance policies will be reasonable, considering the risks relevant to its business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Company may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects could be adversely affected.

Due to the number and size of claims against companies involved in the cannabis industry, a number of insurers providing directors and officers liability insurance ("D&O") have decided not to insure businesses operating in the Company's sector. The Company has placed D&O insurance effective December 1, 2023, with the policy extended at the end of the first year through to April 25, 2025, with the same terms and conditions as set out in the initially placed policy.

Product recalls
Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall, remedial action and any legal proceedings that might arise in connection with the recall.
The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if the Company is subject to recall, the image of the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by regulatory agencies, requiring further management attention, potential loss of applicable licenses and potential legal fees and other expenses.

Limited avenues to market and promote products
To be successful, the Company's business must be successfully marketed. The market for the Company's products and services has and is expected to grow significantly and may require substantial sales and marketing capability. The Company will be dependent on independent parties to market its products and services. There can be no assurance that the Company can continue to market or can enter into satisfactory arrangements with third parties to continue to market its products and services in a manner that would assure its growth and acceptance in the marketplace.

Global economy
Financial markets are influenced by the economic and market conditions in other countries, including the United States and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Canada, investor reactions to developments in these other countries may substantially affect the capital flows into and the market value of securities of issuers with operations in the United States and Canada.

Access to capital
In executing its business plan, the Company makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its formation, the Company has financed these expenditures through equity offerings. The Company will have further capital requirements and other expenditures as it proceeds to expand its business and/or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Company may incur major unanticipated liabilities or expenses. The Company can provide no assurance that it will be able to obtain financing to meet its growth needs.

Foreign sales and currency risks
The Company's functional currency is denominated in Canadian dollars. The Company currently expects future sales will be denominated in Canadian and U.S. dollars and may, in the future, have sales denominated in the currencies of additional countries. In addition, the Company incurs the majority of its operating expenses in Canadian dollars. In the future, the proportion of the Company's sales that are international is expected to increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the

exchange rates of foreign currencies may negatively impact the Company's business, financial condition and results of operations. The Company has not previously engaged in foreign currency hedging. If the Company decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide the Company from foreign currency fluctuations and can themselves result in losses.

Tax risks
The Company will operate and will be subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the Company's earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. The Company may have exposure to greater than anticipated tax liabilities or expenses.
The Company will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities and the determination of the Company's provision for income taxes and other tax liabilities will require significant judgment.

Repatriation of profits
As a company holding the stock of operating subsidiaries in other jurisdictions, it is anticipated that a significant amount of the Company's funds will be generated by the Company's operating subsidiaries. The Company's subsidiaries are subject to the requirements of various regulatory bodies, both domestically and internationally. Accordingly, if the Company's operating subsidiaries are unable, due to regulatory restrictions or otherwise, to pay dividends and make other payments to the Company when needed, the Company may be unable to satisfy the Company's obligations when they arise.

Off Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Change in accounting standards

Standards, Amendments, and Interpretations Issued but not yet Adopted

The IASB has issued several new standards and amendments that will be effective on various dates.

Standards issued and not yet adopted

Certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations is provided below.

In January 2020, the IASB issued an amendment to IAS 1, Presentation of Financial Statements ("IAS 1") to clarify its requirements for the presentation of liabilities in the statement of financial position. The limited scope amendment affected only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specified that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.

It also introduced a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. On October 31, 2022, the IASB issued Non-Current Liabilities with Covenants (Amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendment is effective for annual reporting periods beginning on or after January 1, 2024.

Standards issued and adopted

In February 2021, the IASB issued narrow-scope amendments to IAS 1, IFRS Practice Statement 2, Making Materiality Judgements and IAS 8, Accounting Polices, Changes in Accounting Estimates and Errors. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarify how to distinguish changes in accounting policies from changes in accounting estimates. Beginning Mar 1, 2023, the Company adopted the amendments. The adoption of the amendments did not have a material impact on the Annual Financial Statements.

Selected Financial Information
(For the three-month period ended November 30, 2024, and November 30, 2023)

The following tables show selected financial information for the three-month period ended and as at November 30, 2024, compared to the year ended February 29, 2024, and the three-month period ended November 30, 2023. The selected financial information set out below may not be indicative of the Company's future performance. The information contained in each table should be read in conjunction with the Company's Consolidated Financial Statements and related notes.

All amounts in $,000

Summary Information	**As at November 30, 2024**	**As at February 29, 2024**	**As at November 30, 2023**
(Expressed in thousands of Canadian dollars – audited)	**$**	**$**	**$**
Current assets	639	161	606
Non-current assets	1,031	1,182	1,387
Total assets	1,670	1,885	1,994
Current liabilities	3,164	2,918	4,539
Non-current liabilities	2,609	2,124	1,990
Revenue	501	1,020	233
Net comprehensive loss	(1,364)	(4,306)	(981)
Shareholders' equity (deficiency)	(4,104)	(3,158)	(4,536)

Discussion of Operations for the three-month period ended November 30, 2024 (in $,000s)

For the three-month period ended November 30, 2024, the Company reported a net comprehensive loss of $1,364 or $0.01 per share compared to a net comprehensive loss of $981 for the three-month period ended November 30, 2023.

The Company has added new cannabis customer accounts during the nine-month period ended which has generated first time revenue of $173. Sales for the quarter to Aurora increased year over year to $179 (2023-$179). Service contract revenue of USD$180 has doubled over the prior year.

Profit margins on the sale of cannabis strips increased year over year due to pricing of products new customers averaging 100% pricing increase over prior year products. In addition, price increases of 100% were implemented after the quarter end for both cannabis products and contract services customers.

Non-cash expenses in the second quarter for stock compensation from the issuance of options to directors, employees and advisors and accretion expenses for related parties and convertible debts amounted to $376 (November 30, 2023 - $16).

Revenue and gross profit

Segmented information

The Company has one operating segment comprising production, distribution, research, and the provision of technical services for the delivery of oral thin film strips containing active ingredients.

Entity-wide disclosure:

The Company has four primary sources of revenue:
1) Sales of health and wellness products consisting of nutraceuticals and xylitol;
2) Sales of oral thin film strips containing active ingredients under cannabis licensing;
3) Consulting services provided for the application of active ingredients with the Company's oral thin film polymer formulation and processes

The following table sets out the revenue and costs for each revenue source:

	Three-month period ended November 30, 2024			Three-month period ended November 30, 2023		
	Revenue	Cost of Sales	Gross Profit	Revenue	Cost of Sales	Gross Profit
	$	$	$	$	$	$
Health and wellness	**4,101**	**2,774**	**1,327**	**2,744**	**33,027**	**(30,283)**
White Label	247,081	102,931	144,150	106,530	10,337	96,193
Product Testing	1,000	850	150	1,840	-	1,840
White Label	**248,081**	**103,781**	**144,300**	**108,370**	**10,337**	**98,033**
Research program services	1,107	-	1,107			
Contract development services	248,400	124,800	123,600	122,700	61,050	61,650
Services revenue	**249,507**	**124,800**	**124,707**	**122,700**	**61,050**	**61,650**
Total	**501,689**	**231,355**	**270,334**	**233,814**	**104,414**	**129,400**

	Nine-month period ended November 30, 2024			Nine-month period ended November 30, 2023		
	Revenue	Cost of Sales	Gross Profit	Revenue	Cost of Sales	Gross Profit
	$	$	$	$	$	$
Health and wellness	**22,774**	**22,055**	**719**	**31,119**	**45,425**	**-14,306**
White Label	753,655	218,071	535,584	399,772	126,547	273,224
Product Testing	13,930	11,838	2,092	12,880	2,941	9,939
White Label	**767,585**	**229,909**	**537,676**	**412,652**	**129,488**	**283,163**
Research program services	8,835	-	8,835	-	-	-
Contract development services	617,405	309,600	307,805	384,001	194,245	189,756
Services revenue	**626,240**	**309,600**	**316,640**	**384,001**	**194,245**	**189,756**
Total	**1,416,559**	**561,565**	**855,035**	**827,772**	**369,158**	**458,613**

Customer Concentration:
Three customers comprise 90% of total revenue during the three-month period ended November 30, 2024. Two comprised 95% (2024 – 95%) of White Label revenue during the three-month period year ended November 30, 2023. One customer comprised 100% (2024 – 100%) of licensing and consulting revenue.

Geographic Information:
All of the Company's operations and assets are in Canada.

Financial results

The following Table provides a more detailed breakdown of the Company's financial results for the three-month period ended November 30, 2024, compared to the year ended November 30, 2023:

	Three-month period ended November30, 2024	Three-month period ended November 30, 2023
(expressed in thousands of Canadian dollars - unaudited)	**$**	**$**
Revenue	501	233
Cost of sales	231	104
Gross Profit	**270**	**129**
Operating Expenses		
Personnel	300	426
Stock-based compensation	372	-
General and administrative	313	146
Sales and marketing	209	183
Research and development	44	100
Depreciation	48	153
Interest and accretion expense	348	102
Total operating expenses	**1,634**	**1,110**
Net comprehensive loss	**(1,364)**	**(981)**

The comparative losses reflect the following:

Expenses
(expressed in CDN$000's)

Stock based compensation on the vested portion of the 2,500,000 share options granted to directors amounted to $67 (FY2024 - $nil). Share purchase options totaling 9,050,000 were issued to employees and advisors on April, 2024 resulting in a charge to *stock compensation* expense of $175. Options were issued to RDT staff and a contractor on October 25, 2025.

General and administrative – Professional fees incurred in the third quarter of fiscal year 2025 of $146 were incurred for share issue costs, services provided in connection with the annual meeting of the shareholders and appointment of Directors.

Depreciation of $48 (2024- $140) consists of depreciation of property and equipment. In 2024, the depreciation expense of $153 included the amortization of the right of use asset.

Right of use assets are fully amortized as a result of the expiry of the related premises lease on March 31, 2024. As a result, occupancy costs included in General & Administrative expenses increased by $156, reflecting the charge for three months of rent for the extension of the lease.

Interest and accretion expense - costs of $348 (2024 - $102) reflect the company borrowing costs for the quarter for the secured convertible notes. Accretion expense of $252 (2024 - $32) resulting from the inclusion of equity instruments in the convertible notes and related party debt private placements.

Summary of Quarterly Results

The following table provides a comparison of the results for each of the previous eight quarters:

(expressed in thousands of dollars)	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	28-Feb	31-May	31-Aug	30-Nov	28-Feb	31-May	31-Aug	30-Nov
	CY2022	CY2023	CY2023	CY2023	CY2023	CY2024	CY2024	CY2024
	$	$	$	$	$	$	$	$
Revenue:	218	241	353	233	193	399	516	501
Net Loss:	(2,181)	(566)	(730)	(981)	(2,843)	(1,256)	(1,100)	(1,364)
Per share loss	(0.01)	(0.005)	(0.01)	(0.01)	(0.02)	(0.01	(0.01	(0.01)

Liquidity and Capital Resources

The Company has operated primarily as a product development company since its inception and begun generating revenue from oral thin film strip formulations revenue through both in house production and licensing. The Company has financed its first years of operations with equity and debt financing. As at November 30, 2024, the loss from operations and working capital deficiencies limit the Company's ability to fund its operations.

During the three-month period ended November 30, 2024, the Company accessed working capital financing of $542,000 at $0.17 per common share through a private placement offering tranche which closed on October 30, 2024. Proceeds from the private placement were used to fund operating costs during the quarter.

In May 2024, the Company completed a private placement common share unit (one common share and one warrant) financing totaling $660,000 that provided the Company with the necessary working capital to operate throughout the first quarter of the fiscal year in accordance with its fiscal year 2025 business plan. Each Unit consisted of one (1) common share of the Company (a "**Common Share**") and one (1) common share purchase warrant of the Company (a "**Warrant**"). Each Warrant is exercisable to acquire one (1) Common Share at a price of $0.20 per Common Share for a term of two (2) years from the date of issuance of such Warrant. On this fifth tranche closing of the Financing, 1,470,586 Units were purchased; and accordingly, the Company issued 1,470,586 Common Shares and 1,470,586 Warrants;

In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company.

The following table details the current assets and liabilities which comprise the work capital deficiency as at November 30, 2024:

Working capital breakdown:	**$**
Cash and cash equivalents	40,099
Amounts receivable	249,232
Inventory	150,639
Prepaid expenses	199,440
Total current assets	**639,410**
Less:	
Accounts payable and accrued liabilities	3,164,143
Total current liabilities	3,164,143
Working capital deficiency	**2,524,733**

For the three-month period ended November 30, 2024, the Company had an average monthly cash burn rate of approximately $197,000 improved from a cash burn of approximately $246,000 for the same quarter of the prior fiscal year. The Company conserved cash through managing vendor payment terms and the timing and amount of the consideration paid for trade payables.

The Company is addressing its liquidity requirements as a vital component of its product development strategies. The Company requires access to sufficient financial resources to finance its vaccine program, its development of market awareness for its nutraceutical product lines and for managing its ongoing operations which are building a sustainable revenue stream through white label manufacturing. The Company has previously utilized private placement financing for serving its liquidity requirements.

The pharmaceutical vertical relationship has been initiated with Skycare Compounding. Effective September 15, 2024, Skycare engaged the services of a dental associate for the purpose of introducing Skycare's co-development of OTF strips containing Lidocaine, an active pharmaceutical ingredient used in dental clinics and surgeries. The co-development strategy has enabled the Company to accelerate pharma product development utilizing its existing equipment and technical expertise with resulting cost control and minimized cost outlays. Products under development can be sold into the Canadian medical marketplace through Skycare providing a source of revenue for the Company with cost control. This strategy of leveraging its technology with strategic partners enables the Company to accelerate access to markets it could not enter without significant financing. The analysis of the Canadian market for the products under development indicate the need and size of the market can generate sufficient sales volumes in the early stages of the selling cycle to enable the Company to access its market acceptance and potential for further penetration and scale up of pharma-based products.

The Company has received significant international interest in its vaccine development programs. In May 2022 the Company was asked to participate in a global program at the 6th UNECE International Public-Private Partnerships (PPP) Forum and was shortlisted as one of the top four finalists of the UNECE entries. The submission centered on equitable access to medicines, vaccines, and nutritional supplements, with a particular emphasis on childhood immunization, which is key to reducing infectious disease-related morbidity and mortality in developing countries. UNECE recognized the development of the Company's proprietary, temperature and humidity-stable, oral thin film technology, QuickStrip™ - which can be used for vaccines, pharmaceutical and nutraceutical products - and the Company's aim to widen access to health and wellness products across the world.

The health and wellness vertical was impacted during the third quarter of fiscal year 2025 by delays in receiving product from foreign suppliers, resulting in missing the timelines for customers' fall product launch programs. Marketing costs for supporting the health and wellness product lines in Canada are targeted at $300,000 for the 2026 fiscal year. The expenditures are conditional on obtaining sufficient financing from external sources to support the marketing programs. The Company is currently exploring strategic relationships with Canadian enterprises which can mitigate the Company's outlay for marketing costs and provide expertise in the delivery of health and wellness products to the Canadian consumer market.

The Company has also entered into a product development agreement with an international company with access to international markets for the delivery of services and products currently undergoing formulation development and market acceptance testing. The agreement has been amended over the years since its initial agreement on December 15, 2022, increasing the monthly fees for services from $USD30,000 to USD$60,000 effective June 2024 and to USD$120,000 effective December 19, 2024. The agreement has been extended to June 19, 2025 in order to complete pre-commercialization milestones. An ensuing commercialization agreement to provide OTF strips utilizing the requested active ingredients would include access to the necessary working capital to finance intellectual property and production to enable the Company to fulfill a commercial agreement.

The Company's primary operating costs are personnel and occupancy, both utilized in the White Label manufacturing vertical. The Company does not yet produce and sell sufficient quantities to attain a level of profitability required to support the licensing and costs structure for the cannabis product vertical. The Company has obtained Ontario Cannabis Stores (OCS) product approvals to sell its own brands through the highly regulated Ontario cannabis retail outlets. The success and sustainability of the OTF formulation and production processes, evidenced by the quality of the products produced and sold, provide the Company with the capability of access liquidity for the business in three ways:

1) Penetration of the market in Canada through direct selling;
2) Entering into agreements for the licence to use the Company's technology and equipment for international markets;
3) Monetization of the Canadian cannabis vertical through a strategic partnership or outright sale of the division to a Canadian licensed producer.

Each of these alternatives form part of the decision making regarding the Company's liquidity and access to financial resources in the 2025 fiscal year.

The Company is currently reliant on short term financing with maturities of secured convertible notes occurring in the fiscal year 2026. The unsecured convertible loan of $100,000 which matured on November 8, 2024, was paid out in full at that date. The related party loan of $250,000 which matured on September 22, 2024, was also paid out in full on the maturity date and the security agreement thereto released. Access to capital markets is required by the Company during fiscal 2025 in order to provide the Company with sufficient financing alternatives.

On October 30, 2024, and on July 19, 2024, the Company closed two tranches of an equity private placement financing, raising $851,000 through issuing common shares at $0.17 per share.

The Company has financing available through the issue of 27,893,393 warrants (11,557,036 warrants at $0.14 and 16,336,357 at $0.20) issued during the 2024 fiscal year in connection with its related party debt, equity and convertible note financing. The Company issued 2,500,000 stock options to non-management directors on February 23, 2024, at an exercise price of $0.15 per common share, 9,050,000 options to management and advisors on April 1, 2024, at an exercise price of $0.18 per common share and 850,000 options to employees and a services contractor on October 25, 2024, at $0.24 per share with a twenty-four month exercise period.

Promoters

Mark Upsdell was considered a promoter of the Company in 2018 by having taken the initiative in substantially reorganizing the business of the Company in connection with its amalgamation and reverse takeover transaction which resulted in the Company’s common shares listing on the Canadian Securities Exchange. Mark Upsdell continues to be a promoter of the Company due to his continued involvement in the governance and management of the Company and his shareholdings in the Company. Mr. Upsdell is currently a director as well as the Chief Executive Officer and President of the Company and owns 12,642,785 common shares of the Company representing approximately 10% of its issued and outstanding shares including common shares issued for the payment of interest and fees on the convertible note of $500,000. Mr. Upsdell holds 2,500,000 warrants which may be exercised at $0.14 per warrant exchangeable for one common share with expiry on November 30, 2025. Mr. Upsdell also owns 1,500,000 stock options exercisable at $0.18 per share for twenty-four months, issued on April 1, 2024.

Pursuant to an employment agreement between the Company and Mark Upsdell for his services as Chief Executive Officer and President of the Company, Mr. Upsdell is compensated at the rate of $300,000 annually. During the Covid-19 pandemic, Mr. Upsdell agreed to temporarily waive a portion of his compensation in order to conserve the Company’s cash resources and his base salary was accordingly set at $150,000. Depending on the Company’s financial position going forward, Mr. Upsdell’s base salary may return to the amount entitled under his employment agreement, subject to the approval of the Board of Directors.

Changes in key management personnel

Date	Change
August 28, 2024	Jason Lewis, Vice President Business Development, was appointed to the Board of Directors of the Company
February 7, 2024	Angela O’Leary was appointed a Director to the Board of Directors of the Company
September 18, 2023	Andrew Duckman resigned as Director from the Board of Directors
August 1, 2023	Andrew Duckman, Christine Hrudka and Marissa Cornacchia were appointed Directors to the Board of Directors of the Company
April 14, 2023	John McKimm was appointed a Director to the Board of Directors of the Company
April 14, 2023	Jason Lewis resigned as Director form the Board of Directors
March 19, 2022	Thomas Bryson’s employment contract with the Company ended on March 19, 2022 and was not renewed.
March 19, 2021	Thomas Bryson was appointed President of Rapid Dose Therapeutics Corp.
August 3, 2020	Peter Thilo Hasler was appointed as a director
August 29, 2020	Ken Fox resigned as a director.
February 28, 2020	Doug Hyland was named interim Chief Financial Officer (“CFO”) to hold the position until such time as a replacement CFO was appointed.
February 20, 2020	Donald Sheldon resigned as a director and Miles Nagamatsu resigned as Chief Financial Officer.

Advisory Board

There are members on the Company's Advisory Board.

Rodney Butt MSc MBA
Rod is a Global Prescription Product Development Professional with more than thirty years experience in defining strategic options to bring unique products through the Clinical/Regulatory requirements. Rod coordinates the Company's Research and development projects with research, institutional and pharmaceutical collaborators on the Company's product development efforts.

Dr. Rick Tytus
Dr. Tytus is an Associate Clinical Professor in the Department of Family Medicine at McMaster University and co-founder of Banty, a virtual medical video platform. He has a proven track record working with innovative approaches that enhance a patient's interaction with health care providers. Dr. Tytus is the Chair for District Four of the Ontario Medical Association (OMA) and an active member of the National Virtual Care Task Force.
Previously, Dr. Tytus served on the Board for the OMA, is Past-Chair of OntarioMD, and Past President of the Hamilton Academy of Medicine. Dr Tytus is a well-respected member of the medical community and a leader in medical education.

Dr. Glogauer
Dr. Glogauer is the Dentist in Chief at the University Health Network and Princess Margaret Cancer Centre and a Full Professor in the Faculty of Dentistry at the University of Toronto. His keen interest in research makes Dr. Glogauer the ideal Scientific Director at the Centre for Advanced Dental Research and Care at Mt. Sinai Hospital and the Chief Scientific Officer and Founder of Ostia Sciences Inc.

The Advisory Board has been constituted to provide guidance to management and the Board of Directors regarding strategic initiatives relating to the development of the Company's intellectual properties. Advisory Board members are eligible for Share Purchase Options granted pursuant to the Company's Stock Option Plan.

On December 15, 2021, 250,000 share purchase options were issued at $0.55 per share, vesting semi-annually over two years and expiring on December 15, 2026. On January 5, 2022, 200,000 share purchase options were issued at $0.51 per share vesting semi-annually over two years and expiring on January 5, 2027. The options were cancelled on February 28, 2024, and replaced with options at the option price of $0.18 on April 1, 2024.

Statement of Corporate Governance

National Instrument 58-101: *Disclosure of Corporate Governance Practices* ("NI 58-101") requires the Company to disclose, on an annual basis, its approach to corporate governance with reference to the governance guidelines provided in National Policy 58-201: *Corporate Governance Guidelines* ("NP 58- 201").

The Company has reviewed its corporate governance practices under the guidelines contained in NP 58- 201. The Company's practices comply generally with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current state of development and therefore the Company's governance practices do not reflect these particular guidelines. Set out below is a description of the Company's corporate governance practices as required to be disclosed by NI 58-101.

Board of Directors

As of the date of this MD&A, the Board is comprised of seven directors. Mark Upsdell and Jason Lewis are not independent because of being the Chief Executive Officer of RDT and SVP Business Development respectively.

Directorships

One independent director is currently a director of other issuers that are reporting issuers (or the equivalent) in a jurisdiction in Canada or abroad.

Orientation and Continuing Education

Changes to the Board are infrequent so there is no need for a formal orientation program for directors. The Board does not provide formal continuing education for directors. Directors of RDT maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education, experience as businesspersons and managers, professional continuing education requirements, service as directors of other issuers and advice from RDT's legal counsel, auditor and other advisers.

The Company does not offer a formal orientation and education program for new directors. The new directors familiarize themselves with the Company by speaking to other directors and by reading documents provided by the executive officers.

Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics (the "**Code**"). The Code provides guidance on the conduct of the Company's business and sets out the principles and procedures to be adhered to by the Company's Directors, officers, employees and consultants.

Directors and officers of RDT are expected to disclose dealings in the industry in which RDT operates. They are also subject to the general obligation under corporate law to declare and fully disclose any conflict of interest, refrain from participating in any discussion and not vote on any material contract or transaction with RDT in which the applicable director or officer has an interest. Accordingly, any related party contract or transaction would require approval of the directors who are independent of the contract or transaction or, if there is no director who is independent of the contract or transaction, shareholder approval or ratification.

The Board monitors the ethical conduct of the Company and its management and ensures that it complies with applicable legal and regulatory requirements.

Nomination of Directors

RDT does not have a formal process or committee for proposing new nominees to the Board.

Compensation

The Board has appointed a compensation committee who recommends compensation and employment policy to the Board. The Board is responsible for determining the compensation (including long-term incentives in the form of stock options) to be granted to RDT's executive officers (including the chief executive officer) and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation, thereby providing any independent members of the Board with considerable input as to executive compensation.

The Board relies on the knowledge and experience of its members to set appropriate levels of compensation for executive officers. Neither the Company nor the Board currently has any contractual arrangement with any executive compensation consultant. The Board reviews and makes determinations with respect to executive officer compensation on an *ad hoc* basis. When determining executive officers' compensation, the Board reviews the performance of executive officers based on their achievements during the preceding year.

The Board uses all the data available to it to ensure that the Company is maintaining a level of compensation that is both commensurate with the size of the Company and sufficient to retain key personnel.

In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of companies. In the Board's view, external data provides insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. External data is considered, along with an assessment of individual performance and experience, the Company's business strategy, and general economic considerations.

Board Committees

The standing committees of the Board are:
1) Governance and Compensation Committee, chaired by Christine Hrudka; and
2) Audit Committee, chaired by John McKimm.

Assessments

The Board has responsibility for assessing the effectiveness of the Board as a whole, and the contribution of individual directors. Due to the small size of the Board, no formal process is in place. Shareholders have the ultimate authority to determine whether to re-elect the current directors or to elect one or more replacement directors.

The directors, the Board and its committees are assessed on an ongoing basis by reviewing their respective attendance and performance. The Board expects to establish a formal assessment process in the future.

The directors, the Board and its committees are assessed on an ongoing basis by reviewing their respective attendance and performance. The Board expects to establish a formal assessment process in the future.

On behalf of the management and the Board of Directors, thank you for your continued support:

"Mark Upsdell" , **Mark Upsdell, Chairman and CEO**