WESTCOT VENTURES CORP.

Suite 1080, 789 West Pender Street
Vancouver, British Columbia, V6C 1H2

FORM 2A

LISTING STATEMENT

Dated as at December 20, 2019

1. Table of Contents

Glossary of Terms

The following terms used in this Listing Statement have the following meanings. This is not an exhaustive list of defined terms used in this Listing Statement and additional terms are defined throughout the Listing Statement.

"**Acquisition**" means the acquisition of all of the WPD Shares by Westcot in exchange for Consideration Shares and the completion of the reverse take-over of Westcot by WPD, which constituted a Change of Business.

"**Amending Agreement**" has the meaning ascribed thereto under the heading "*General Development of the Business*".

"**BCBCA**" means the *Business Corporations Act* (British Columbia) S.B.C. 2002 c.57, as amended, including the regulations promulgated thereunder.

"**BCSC**" means the British Columbia Securities Commission.

"**Board**" means the board of directors of the Company.

"**Bridge Loan**" means the secured bridge loan advanced from Westcot to WPD in the initial amount of $200,000, along with an additional advance of $100,000 on November 15, 2019, providing for an aggregate amount of $300,000, as more particularly described under the heading "*General Development of the Business – The Acquisition – The Share Exchange Agreement – Bridge Loan*".

"**Business Day**" means any day except Saturday, Sunday or a statutory holiday in Vancouver, British Columbia, Canada.

"**Change of Business**" means, generally, a transaction or series of transactions which will redirect an Issuer's resources and which changes the nature of its business, for example, through the acquisition of an interest in another business which represents a material amount of such Issuer's market value, assets or operations, or which becomes the principal enterprise of such Issuer.

"**Closing**" means the completion of the Acquisition.

"**Closing Date**" means the date on which the Closing occurred.

"**Company**" means Westcot Ventures Corp., a corporation incorporated under the BCBCA, following completion of the Acquisition.

"**Company Shares**" means the common shares in the capital of the Company.

"**Computershare**" means Computershare Trust Company of Canada.

"**Consideration Shares**" means the Westcot Shares issued from treasury to the WPD Securityholders *pro rata* in proportion to the WPD Securities held by them on the Closing Date, being an aggregate of 67,000,000 Westcot Shares at a deemed price of $0.35 per Westcot Share.

"**CSE**" means the Canadian Securities Exchange.

"**Delisting**" means the delisting of Westcot Shares from the TSXV.

"**Escrow Agent**" means Computershare.

"**Escrow Agreement No. 1**" means the escrow agreement entered into among the WPD Insiders and Computershare, as Escrow Agent, in relation to the Consideration Shares issued to WPD Insiders.

"**Escrow Agreement No. 2**" means the escrow agreement entered into among the WPD Group and Computershare, as Escrow Agent, in relation to the Consideration Shares issued to WPD Group.

"**Escrow Agreement No. 3**" means the escrow agreement entered into among certain Escrowed Westcot Shareholders and Computershare, as Escrow Agent, in relation to 22,702,574 Westcot Shares.

"**Escrowed Westcot Shareholders**" means certain Westcot Shareholders who are subject to additional escrow restrictions pursuant to Escrow Agreement No. 3, being the Insiders of Westcot.

"**Finder**" means Jason Sundar.

"**Finder's Fee Shares**" means the 4,500,000 Westcot Shares issuable to the Finder as a finder's fee pursuant to the Share Exchange Agreement.

"**General Security Agreement**" means the general security agreement entered into by Westcot and WPD in relation to the advances made under the Bridge Loan, as more particularly described under the heading "*General Development of the Business – The Acquisition – The Share Exchange Agreement – Bridge Loan*".

"**Insider**" if used in relation to an Issuer, means:

(a) a director or senior officer of such Issuer;

(b) a director or senior officer of a Person that is an Insider or subsidiary of such Issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of such Issuer; or

(d) such Issuer itself if it holds any of its own securities.

"**Issuer**" means an issuer which has its securities qualified for listing on a stock exchange or which has applied to have its securities qualified for listing on a stock exchange, as applicable.

"**Listing Statement**" means this listing statement.

"**MD&A**" means management's discussion and analysis as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

"**NEX**" means the NEX Board of the TSXV.

"**Party**" means a party to the Share Exchange Agreement, being WPD, the WPD Securityholders and Westcot, and "**Parties**" means any one of them.

"**Person**" includes any natural person, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative.

"**Promissory Note #1**" means the promissory note in relation to the first advance under the Bridge Loan, as more particularly described under the heading "*General Development of the Business – The Acquisition – The Share Exchange Agreement – Bridge Loan*".

"**Promissory Note #2**" means the promissory note in relation to the second advance under the Bridge Loan, as more particularly described under the heading "*General Development of the Business – The Acquisition – The Share Exchange Agreement – Bridge Loan*".

"**Promissory Note #3**" means the promissory note in relation to the third advance under the Bridge Loan, as more particularly described under the heading "*General Development of the Business – The Acquisition – The Share Exchange Agreement – Bridge Loan*".

"**Properties**" means the Nebocat and RIM properties located in the Yukon, in which Westcot held a 60% interest.

"**OSC**" means the Ontario Securities Commission.

"**SEDAR**" means System for Electronic Document Analysis and Retrieval being the official website that provides access to most public securities documents and information filed by Issuers and investment funds with the Canadian Securities Administrators at www.sedar.com.

"**Share Exchange Agreement**" means the share exchange agreement entered into among Westcot, WPD and the WPD Securityholders on July 17, 2019, as amended on November 25, 2019, with respect to the Acquisition, a copy of which is filed on SEDAR at www.sedar.com under the profile of the Company.

"**Stock Option Plan**" means the 10% "rolling" stock option plan to be adopted by the Company in accordance with and subject to the policies of the CSE.

"**TSXV**" means the TSX Venture Exchange.

"**TSXV Policies**" means the policies of the TSXV and all bulletins, orders, policies, rules, regulations and by-laws of the TSXV as amended from time to time.

"**Westcot**" means Westcot Ventures Corp., a corporation incorporated under the BCBCA, prior to the Acquisition.

"**Westcot Shareholders**" means the holders of Westcot Shares up to and immediately prior to the completion of Acquisition.

"**Westcot Shares**" means the common shares in the capital of Westcot up to and immediately prior to the completion of Acquisition.

"**WPD**" means WPD Pharmaceuticals Sp. z.o.o, a company incorporated under the Polish Code of Commercial Companies, either prior to the Acquisition or subsequent to the Acquisition, as the context requires.

"**WPD Convertible Securities**" means the outstanding securities of WPD which were convertible into WPD Shares, and included any then outstanding common share purchase warrants, convertible debt and stock options of WPD.

"**WPD Convertible Securityholders**" means the holders of the WPD Convertible Securities up to and immediately prior to the completion of Acquisition.

"**WPD Group**" means ALS Investments, LLC and Triple G Ventures, LLC.

"**WPD Insiders**" means Waldemar Priebe, Mariusz Olejniczak, Wake Forest University, EKA-TW Holdings, Exploration Invest Pte. Ltd. and Plus Holdings LLC.

"**WPD Principals**" means Triple G Ventures, LLC, ALS Investments, LLC, Waldemar Priebe and EKA-TW Holdings, LLC.

"**WPD Rights**" means the right(s) to acquire WPD Shares which were held by certain persons who were not registered shareholders of WPD at the time, as more particular described under the heading "*General Development of the Business – The Acquisition*".

"**WPD Rightsholders**" means the former holders of the WPD Rights up to and immediately prior to the completion of Acquisition.

"**WPD Securities**" means, collectively, the WPD Convertible Securities, the WPD Rights and the WPD Shares. The WPD Securities are individually referred to as a "**WPD Security**".

"**WPD Securityholders**" means the WPD Convertible Securityholders, the WPD Rightsholders and the WPD Shareholders up to and immediately prior to the completion of Acquisition.

"**WPD Shareholders**" means the holders of WPD Shares up to and immediately prior to the completion of Acquisition.

"**WPD Shares**" means the common shares in the capital of WPD.

Currency

In this Listing Statement, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to "$" are to Canadian dollars.

Forward Looking Statements

The information provided in this Listing Statement, including information incorporated by reference, may contain "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "**forward-looking statements**") about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words, and the Company's proposed business objectives, including plans relating to biotechnology research and development of medicinal products involving biological compounds and small molecules. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance, business developments, objectives or milestones. These statements speak only as of the date they are made and are based on information currently available and on the then current expectations of the Company and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements. See "*Risk Factors*".

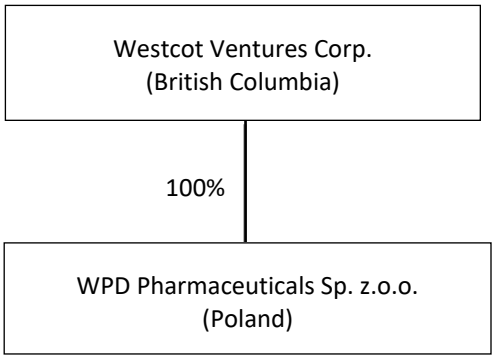
Consequently, all forward-looking statements made in this Listing Statement and other documents of the Company are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on its behalf may issue. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

2. Corporate Structure

Westcot was incorporated under the BCBCA on July 4, 2006 as "0762477 B.C. Ltd.". On December 17, 2007, Westcot filed a notice of alteration changing its name from "0762477 B.C. Ltd." to "Sparrow Ventures Corp.". On September 6, 2017, Westcot filed a notice of alteration changing its name from "Sparrow Ventures Corp." to "Westcot Ventures Corp.".

On December 20, 2019, Westcot completed the Acquisition which included the reverse takeover of Westcot by WPD.

Upon completion of the Acquisition, WPD became a wholly-owned subsidiary of the Company, as illustrated by the following organizational chart:



The Company's head office is located at Suite 1080, 789 West Pender Street, Vancouver, British Columbia, Canada V6C 1H2 and the registered and records office is located at 800 – 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3HI.

WPD was incorporated under the Polish Code of Commercial Companies on August 21, 2017. Its registered office is located at Żwirki i Wigury Street 101, 02-089 Warszawa. WPD has also established a branch in Wrocław located at Muchoborska Street 18.

The Company's corporate structure is consistent with its business model and the realities of operations in Poland. The directors and management of WPD will fulfill their duties as directors and management under the oversight of the Board within the Canadian corporate governance framework and with the guidance of Canadian legal counsel, as well as Polish legal counsel.

Risks associated with the Company's proposed corporate structure have been identified and evaluated. It is management's opinion that the risk is minimal given the requirements of the Polish pharmaceutical laws and the proposed operations of WPD and that the CEO of the Company will continue to serve as management of WPD. The Company will have the ability to change the board and management of the foreign operating entities as the sole shareholder of the WPD.

3. General Development of the Business

Westcot completed its initial public offering on May 21, 2008 and the Westcot Shares commenced trading on the TSXV on May 26, 2008 under the symbol "SPW.P".

On August 26, 2010, Westcot completed a qualifying transaction (the "**Qualifying Transaction**") with Full Metal Minerals Ltd. ("**Full Metals**") pursuant to which Westcot acquired a 60% interest in Full Metal's Nebocat and RIM properties located in the Yukon (the "**Properties**"). As a result of the Qualifying Transaction, Westcot ceased to be a Capital Pool Company (as such term is defined under the TSXV Policies) and became classified as a Tier 2 Mining Exploration company.

On June 17, 2014, Westcot's listing was transferred from Tier 2 of the TSXV to the NEX Board and Westcot changed its stock exchange symbol to "SPW.H".

On August 15, 2016, the BCSC issued a partial revocation order (the "**Partial Order**") in respect of its cease trade order pertaining to the Westcot Shares dated October 6, 2015. On February 6, 2017, the BCSC revoked the cease trade order as all requisite filings were made by Westcot in December 2016.

Pursuant to the Partial Order, Westcot proposed a non-brokered private placement of secured convertible debentures for gross proceeds of up to $250,000 (the "**Debenture Financing**"). Westcot closed the first tranche on October 2, 2016 for gross proceeds of $28,754, the second tranche on January 17, 2017 for gross proceeds of $20,205, the third tranche on March 17, 2017 for gross proceeds of $23,800, and the fourth and final tranche on June 23, 2017 for gross proceeds of $177,241.

On September 14, 2017, the Westcot Shares resumed trading on the NEX on a post-consolidated basis under its new corporate name "Westcot Ventures Corp." and under the stock symbol "WVC.H". Westcot consolidated 13,658,300 issued and outstanding common shares on the basis of (10) pre-consolidation common shares for one (1) post-consolidation common share.

On September 19, 2017, Westcot changed its stock symbol from "WVC.H" to "WET.H" and commenced trading under the new stock symbol.

On October 10, 2017, Westcot announced the conversion of an aggregate principal amount of $250,000 of secured convertible debentures into units of Westcot, which were issued pursuant to the Debenture Financing, with a conversion price of $0.13 per unit of Westcot. Each such unit consisted of one common share and one common share purchase warrant of Westcot, with each such warrant valid for one year from the date of issuance and exercisable at a price of $0.13.

On November 21, 2017, Westcot completed a non-brokered private placement of 5,555,555 units of Westcot at a price of $0.135 per unit for gross proceeds of $750,000. Each such unit consisted of one common share and one common share purchase warrant of Westcot, with each such warrant valid for one year from the date of issuance and exercisable at a price of $0.18.

On March 28, 2018, Westcot converted convertible debentures with a face value of $12,000 into 184,614 units at a price of $0.065 per unit. Each such unit consisted of one common share and one common share purchase warrant of Westcot, with each such warrant valid for one year from the date of issuance and exercisable at a price of $0.065.

On June 7, 2018, the Westcot Shares were halted pending receipt and review of acceptable documentation regarding Westcot's proposed Change of Business transaction.

On July 10, 2018, Westcot announced a proposed two-for-one forward split of the Westcot Shares (the "**Forward Split**"), as management of Westcot believed that the Forward Split would provide increased liquidity to Westcot's shareholders and promote broader share ownership.

On July 17, 2018, Westcot completed the Forward Split, pursuant to which the issued and outstanding Westcot Shares increased from approximately 8,844,455 to 17,688,910.

On July 27, 2018, Westcot closed a non-brokered private placement of 857,142 units of Westcot at a price of $0.35 per unit for gross proceeds of $300,000 as a bridge financing in connection with Westcot's proposed Change of Business transaction. Each such unit consisted of one common share and one-half of one common share purchase warrant of Westcot, with each such whole warrant valid for one year from the date of issuance and exercisable at a price of $0.50.

On August 27, 2018, Westcot closed a subscription receipt financing (the "**Subscription Receipt Financing**") pursuant to which Westcot issued 7,899,996 subscription receipts (the "**Subscription Receipts**") at a price of $0.35 per

Subscription Receipt for aggregate proceeds of approximately $2,764,998.60, with such funds being raised in connection with Westcot's proposed Change of Business transaction.

Pursuant to a subscription receipt agreement among Westcot and Computershare, as Escrow Agent, dated August 27, 2018 (the "**Subscription Receipt Agreement**"), the Subscription Receipts and proceeds from the issuance of such Subscription Receipts were held in escrow by Computershare pending the satisfaction of certain escrow release conditions. For additional details, see "*General Development of the Business – The Acquisition – Subscription Receipts*".

On August 28, 2018, Westcot announced that it had entered into a definitive share exchange agreement (the "**MMJ Share Exchange Agreement**") with MMJ Technologies Inc. ("**MMJ**") in connection with Westcot's proposed Change of Business.

On March 5, 2019, Westcot announced that the MMJ Share Exchange Agreement had been terminated.

On May 2, 2019, Westcot announced that it entered into a letter of intent dated April 26, 2019 with WPD in regards to the Acquisition which would comprise Westcot's Change of Business transaction.

On July 17, 2019, Westcot announced that it had entered into the Share Exchange Agreement with WPD.

On November 25, 2019, the parties to the Share Exchange Agreement entered into an amending agreement (the "**Amending Agreement**") in order to amend certain terms of the Share Exchange Agreement, including updates to the mechanisms of the share exchange and to account for the WPD Rightsholders.

On December 16, 2019, Westcot announced its intention to delist the Westcot Shares from the TSXV. The Westcot Shares were subsequently delisted from the TSXV on December 18, 2019.

The Acquisition

The Acquisition was completed on December 20, 2019 pursuant to the provisions of the Share Exchange Agreement, as amended by the Amending Agreement. Upon completion of the Acquisition, WPD became a wholly owned subsidiary of the Company, and the Company gained possession all of the assets of WPD and continued the business of WPD.

The parties to the Acquisition were WPD, Westcot and the WPD Securityholders. The Acquisition was an arm's length transaction as there was no relationship between WPD and Westcot or its affiliates and associates and no relationship between Westcot and WPD or its affiliates and associates.

Pursuant to the provisions of the Share Exchange Agreement, each holder of a WPD Security received 3,386.403841 Consideration Shares for each WPD Security held, with each Consideration Share issuable rounded to the next whole number as follows: (i) rounded up for half a share or greater; and (ii) rounded down for less than half a share. As a result, Westcot issued approximately 67,000,000 Consideration Shares to the WPD Securityholders in exchange for all of the issued and outstanding WPD Securities.

At the time of the Acquisition, the WPD Convertible Securityholders and the WPD Rightsholders were not registered shareholders of WPD Shares, although they did have rights to be issued WPD Shares. In the case of the WPD Convertible Securityholders, they held the rights to become registered shareholders of WPD Shares upon conversion of their WPD Convertible Securities. In the case of the WPD Rightsholders, they were entitled to become registered shareholders of WPD Shares upon exercise of certain rights granted to them by WPD, but had not yet been issued such WPD Shares. In Poland, the jurisdiction governing WPD, the issuance of common shares is a time intensive process. As such, in order to prevent a significant time delay in completing the Acquisition, the WPD Convertible Securityholders and the WPD Rightsholders transferred their rights to the WPD Shares to Westcot in exchange for the Consideration Shares. This resulted in Westcot acquiring all of the issued and outstanding WPD Shares along

with the rights to any additional WPD Shares issuable upon conversion of the WPD Convertible Securities or exercise of the WPD Rights, in exchange for the Consideration Shares.

The Share Exchange Agreement and the Amending Agreement set forth the terms of the Acquisition and the issuance of the Consideration Shares in exchange for all of the issued and outstanding WPD Securities. Copies of the Share Exchange Agreement and the Amending Agreement are available under the Company's SEDAR profile at www.sedar.com.

The Share Exchange Agreement

The Acquisition was effected in accordance with the Share Exchange Agreement, as amended by the Amending Agreement. Copies of the Share Exchange Agreement and the Amending Agreement have been filed under the Company's profile on SEDAR at www.sedar.com as material contracts.

The Share Exchange Agreement contains certain representations and warranties made by each of WPD, the WPD Securityholders and Westcot in respect of: (i) the assets, liabilities, capital, financial position and operations of WPD and Westcot, respectively; and (ii) the title of the WPD Securityholders to the WPD Securities. In addition, each of WPD, the WPD Securityholders and Westcot provided covenants which governed the conduct of their operations and affairs prior to the completion of the Acquisition. The Share Exchange Agreement contains a number of conditions precedent to the obligations of the Parties thereunder.

Bridge Loan

Pursuant to the Share Exchange Agreement, Westcot has advanced to WPD a secured bridge loan in the aggregate principal amount of $300,000, bearing interest at a rate of 8% per annum, due and payable upon the earlier of (i) the date that is five (5) business days after demand by Westcot; and (ii) the date that is 6 months after each respective advance thereunder (the "**Bridge Loan**").

$125,000 of the Bridge Loan was advanced on August 6, 2019, represented by a promissory note among Westcot and WPD dated July 19, 2019 (the "**Promissory Note #1**"). WPD and Westcot have entered into a general security agreement dated July 19, 2019 in respect of the sum advanced under the Promissory Note, pursuant to which WPD has granted to Westcot a security interest over all of WPD's current and after-acquired property (the "**General Security Agreement**").

An additional $75,000 of the Bridge Loan was advanced on September 6, 2019 represented by a promissory note among Westcot and WPD dated September 6, 2019 (the "**Promissory Note #2**"). Pursuant to the General Security Agreement, WPD has granted to Westcot a security interest over all of WPD's current and after-acquired property including such amounts advanced under Promissory Note #2.

The remaining $100,000 of the Bridge Loan was advanced on November 15, 2019 represented by a promissory note among Westcot and WPD dated November 15, 2019 (the "**Promissory Note #3**"). Pursuant to the General Security Agreement, WPD has granted to Westcot a security interest over all of WPD's current and after-acquired property including such amounts advanced under Promissory Note #3.

Finder's Fees

Pursuant to the Share Exchange Agreement, on the Closing Date, Westcot paid a finder's fee to Jason Sundar (the "**Finder**") of 4,500,000 Westcot Shares (the "**Finder's Fee Shares**") in connection with the Acquisition, with such Finder's Fee Shares being subject to a contractual escrow period having the same terms as Escrow Agreement No. 3. See "*Escrowed Securities – Restricted Securities – Escrow Agreement No. 3*" below.

Subscription Receipts

On December 18, 2019, each Subscription Receipt converted into one unit of the Company (each, a "**Subscription Unit**") upon the satisfaction of certain conditions, including the completion of Westcot's proposed Change of Business transaction. Each Subscription Unit consists of one common share and one-half of a common share purchase warrant (each whole warrant, a "**Subscription Warrant**"). As a result of the conversion of the Subscription Receipts, a total of 7,899,996 Company Shares and 3,949,997 Subscription Warrants were issued to the holders of the Subscription Receipts. Each Subscription Warrant entitles the holder thereof to purchase one Company Share at a price of $0.50 until December 18, 2021.

Other than as disclosed in this Listing Statement, the Company is not aware of any trends, commitments, events or uncertainties which could reasonably be expected to have a material effect on the Company's business, financial condition or results of operations. However, there are significant risks associated with the Company's business as described in Section 17 – "*Risk Factors*".

WPD

Prior to Closing, WPD was a privately-held research and development company incorporated in Poland on August 21, 2017. Upon completion of the Acquisition, WPD became a wholly owned subsidiary of the Company, and the Company gained possession all of the assets of WPD and continued the business of WPD.

WPD is principally engaged in the research and development of innovative medicinal products for humans in the field of oncology. WPD has built a portfolio of products through a series of licensing agreements, as follows:

(a) the Wake Forest License Agreement, as described herein;

(b) a Material Transfer Agreement between WFUHS and WPD dated May 1, 2018 governing the transfer of certain gene and protein sequences to WPD by WFUHS for internal research purposes;

(c) the CNS Sublicense Agreement, as described herein;

(d) the Sublicense Agreement between WPD and ALS dated October 10, 2018, as described herein; and

(e) the Moleculin Sublicense Agreement, as described herein.

WPD currently holds interests in eight drugs targeting five different indications in clinical and pre-clinical development phases, as follows:

#	Product	Targeted Indication	Description	Interest Established By
1	WPD101	CNS tumors	WPD101 is currently in the preclinical stage of development. Its consistent anticancer properties are demonstrated and validated in dogs with spontaneous GBM closely resembling GBM in human patients and in vitro studies.	Wake Forest License Agreement
2/3	WPD102/WPD103	Ocular tumors	WPD102/103 is currently in the preclinical stage of development. Its properties are researched in rabbits and in vitro studies.	Wake Forest License Agreement

#	Product	Targeted Indication	Description	Interest Established By
4	Annamycin	AML, Metastasis to lungs	Annamycin is in a Phase I trial for AML in both Poland and USA. It is reported in dose escalation studies evaluating safety and activity. Annamycin is able to significantly improve survival in an aggressive form of triple negative breast cancer metastasized to the lungs in animal models.	Moleculin Sublicense Agreement
5	Berubicin	CNS tumors	Berubicin is a new clinical stage anthracycline proven to be able to reach brain tumours.	CNS Sublicense Agreement
6	WP1066	CNS tumors, Pancreatic cancer, Ocular tumors	WPD1066 is in Phase I trial at the University of Texas MD Anderson Cancer Center for GBM or melanoma metastasis to the brain.	Moleculin Sublicense Agreement
7	WP1732	STAT3 inhibitor	Preclinical animal testing has shown that WP1732 displays high uptake in the pancreas.	Moleculin Sublicense Agreement
8	WP1220	Inhibitor of glycolysis	WP1220 is in clinical stage in a topical treatment of cutaneous T-cell lymphoma.	Moleculin Sublicense Agreement

WPD's business model is focused on developing a therapeutic platform acquired from Wake Forest University Health Sciences ("**WFUHS**") using the benefit of European Union (EU) grant funding, know-how of clinical development in the Central European Union region and partnerships with companies willing to use the same benefits in risk-sharing co-development of products.

WPD's business is international in scope. The technology which it licenses comes mainly from the United States and is still owned and monitored by publicly listed US biotech companies (CNS and Moleculin) or major US universities (WFUHS). Research and clinical trials are conducted in Poland but also are targeted to involve western European countries such as Denmark, Italy and Germany and other countries such as Canada.

Since its inception on August 21, 2017 to December 31, 2018, WPD has expended CDN$1,044,021 in development of its business with approximately CDN$1,000,000 of additional funds allocated towards the development of WPD101 and Berubicin (including the costs of equipment, reagents, premises and labour) in the 6 months ended June 30, 2019.

On November 28, 2017, WPD signed a license agreement (the "**Wake Forest License Agreement**") with WFUHS granting WPD an exclusive, worldwide, royalty-bearing license under certain patented and patent-pending technologies for the diagnosis and treatment of glioblastoma multiforme ("**GBM**"), to make, use, import, offer for sale and sell licensed pharmaceutical products, including the right to sublicense its rights under the Wake Forest License Agreement, subject to WFUHS' retained right to make, have made, and use licensed products solely for non-commercial, educational, academic, and research purposes. The term of the Wake Forest License Agreement is for the life of the licensed patents.

Under the Wake Forest License Agreement, WPD agreed to make an up-front payment of US$50,000 (which has been paid) and an annual fee payment of US$10,000 during the term of the Wake Forest License Agreement. WPD has also agreed to make certain milestone payments to WFUHS, including payment of the following:

(i) US$75,000 upon filing the first investigational new drug application with the U.S. Food and Drug Administration (or non-U.S. major market equivalent);

(ii) US$150,000 upon enrolling the first patient in the first clinical trial that is designed to study efficacy and longer term safety of a product licensed under the Wake Forest License Agreement; and

(iii) US$750,000 upon the first commercial sale of a licensed product in a Major Market (as defined in the Wake Forest License Agreement) in which the licensed product is covered by a valid claim of a licensed patent.

None of the milestone payments under the Wake Forest License Agreement have been triggered as of the date of this Listing Statement.

WPD is also subject to numerous royalty payments under the Wake Forest License Agreement, which arise under various conditions such as the sale of a licensed product, and/or sublicense revenue being received. WPD also agreed to reimburse WFUHS for expenses incurred related to the licensed products with six equal payments of US$47,880 due April 1 and October 1 of each year (the first such payment has been made, and the second accrued in liabilities as at December 31, 2018).

In addition, as part of the consideration under the Wake Forest License Agreement, WPD has agreed that, on the date that WPD completes the issuance and sale of equity, equity-linked, or convertible debt securities for cumulative gross proceeds of at least US$2,000,000, or if there is a change of control of WPD, WPD shall issue (or sell or cause to be sold) to WFUHS shares of its common stock, at $0.001 par value per share, such that WFUHS will hold, in aggregate, 6.0% of WPD's outstanding common stock calculated on a fully diluted basis. WPD determined that the Share Exchange Agreement triggered this share issuance as it comprised a change of control of WPD and as such, WFUHS was granted WPD Rights to acquire 1,120 WPD Shares and consequently became a shareholder of the Company upon closing of the Acquisition.

On February 20, 2018, WPD received notice that it had been conditionally awarded a grant (the "**WP101 Grant**") in the amount of 21,400,477 PLN (CDN$7,406,510 as at July 22, 2019) from the European Union, European Regional Development Fund under the Smart Growth Operational Programme, implemented under the National Centre for Research and Development ("**NCRD**") for development of its drug used in the treatment of GBM.

Receiving the WPD101 Grant from NCRD is subject to a number of conditions including Polish and EU regulation for small and medium enterprises, Polish and EU grant regulation and certain milestones. There can be no assurances that WPD will continue to meet the necessary conditions of the NCRD, satisfactorily achieve milestones, or that NCRD will continue to advance additional funds to WPD. During the year ended December 31, 2018, WPD recognized US$34,201 in other income associated with amounts received for the WP101 Grant.

On October 10, 2018, WPD entered into an agreement with Animal Life Sciences, LLC ("**ALS**") to sublicense patent rights obtained under the Wake Forest License Agreement (the "**ALS Sublicense Agreement**"). In consideration for sublicensing these rights, WPD received a 7.14% equity stake in ALS. ALS was formed as a limited liability company in the State of Nevada on August 22, 2018. ALS was established as a pharmaceutical and nutritional development company focused on the licensing, development and commercialization of safe and effective treatments for animals based on human cancer technologies. ALS has not presently undertaken any business operations, other than having entered into sub-license agreements with three minority shareholders, including WPD, pertaining to certain prospective technologies that those shareholders have recently licensed from health research institutions.

As ALS has no operations and no significant identifiable assets, WPD considers the fair value of its investment to be nil as at December 31, 2018. ALS is considered a related party, as its controlling shareholder is also a founding shareholder of WPD.

On August 30, 2018, WPD entered into a sublicense agreement (the "**CNS Sublicense Agreement**") with CNS Pharmaceuticals, Inc. ("**CNS Pharma**"). CNS Pharma is currently pursuing an initial public offering on the NASDAQ capital market. CNS Pharma holds a license to research, develop and commercialize certain licensed products within licensed territory for use within the licensed field under certain patent rights. The CNS Pharma licensed field is the treatment of cancer in humans. WPD committed to spend at least US$2.0 million on the development, testing, regulatory approval or commercialization of the products governed under the CNS Sublicense Agreement within a three-year period following the date of the license. The sublicensed territories are Poland, Estonia, Latvia, Lithuania, Belarus, Ukraine, Moldova, Romania, Bulgaria, Serbia, Macedonia, Albania, Armenia, Azerbaijan, Georgia, Montenegro, Bosnia, Croatia, Slovenia, Slovakia, Czech Republic, Hungary, Chechnya, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Greece, Austria, and Russia. WPD was required to make certain payments to CNS Pharma and will pay a royalty of 1% on sales. The primary compound of CNS Pharma is Berubicin, which was discovered at M.D. Anderson Cancer Center by Dr. Waldemar Priebe, the founder of CNS Pharma and WPD.

On January 31, 2019, WPD received notice that it had been awarded a conditional grant in the amount of 22,033,066 PLN (CDN$7,625,287 as at July 22, 2019) from the European Union's Regional Development Fund (**"EURDF**") under the Smart Growth Operational Program, implemented under the NCRD for development of its drug Berubicin hydrochloride, which is utilized via injection as a novel drug in GBM therapy for children and adult patients. The EURDF grant has conditions and milestones to be achieved and to date, WPD has not received any EURDF grant funds. Berubicin is a new anthracycline proven to be able to reach brain tumours.

On February 19, 2019, WPD entered into a sublicense agreement (the "**Moleculin Sublicense Agreement**") with Moleculin Biotech, Inc. ("**Moleculin**"), under which Moleculin sublicensed certain intellectual property rights to WPD, including rights to certain products. Dr. Waldemar Priebe, WPD's founder and Chairman of its Scientific Advisory Board, is the founder and largest shareholder of Moleculin. Under the Moleculin Sublicense Agreement, Moleculin granted WPD a royalty-bearing, exclusive license to research, develop, manufacture, have manufactured, use, import, offer to sell and/or sell products in the field of human therapeutics under the licensed intellectual property in the licensed territories, being the countries of Germany, Poland, Estonia, Latvia, Lithuania, Belarus, Ukraine, Moldova, Romania, Armenia, Azerbaijan, Georgia, Slovakia, Czech Republic, Hungary, Uzbekistan, Kazakhstan, Greece, Austria, Russia, Netherlands, Turkey, Belgium, Switzerland, Sweden, Portugal, Norway, Denmark, Ireland, Finland, Luxembourg and Iceland, provided that Moleculin has the right to buy back the rights to Germany from WPD by making a cash payment of US$500,000 to WPD, or by issuing 235,850 shares of its common stock to WPD. In consideration for entering into the Moleculin Sublicense Agreement, WPD agreed that it must use commercially reasonable development efforts to develop and commercialize products in the aforementioned licensed territories. For the purposes of the Moleculin Sublicense Agreement, the term "commercially reasonable development efforts" means the expenditure by or on behalf of WPD or any of its affiliates of at least: (i) US$2,000,000 during the first two years of the agreement on the research, development and commercialization of products in the licensed territories; and (ii) US$1,000,000 annually for the two years thereafter on the research and development of products in the licensed territories.

Moleculin's audited and management-prepared financial statements from inception on July 28, 2015 through to March 31, 2019 indicate that Moleculin has expended US$18,960,979 on direct research and development costs over that period, approximately $800,000 of which was spent on WP1122, which was not covered by the Moleculin Sublicense Agreement.

Pursuant to the Moleculin Sublicense Agreement, WPD submitted a grant application to Dolnośląska Instytucja Pośrednicząca and is curently preparing another grant application to the NCRD. There is no assurance that any funds will be granted, nor is there any assurance that the terms of any such grant would be the same as other grants obtained by WPD.

4 Narrative Description of the Business

The Company's principal business is biotechnology research and development of therapeutical drugs involving biological compounds and small molecules, which is completed through its operating entity and wholly-owned subsidiary, WPD as described under "*Narrative Description of the Business – WPD*" below. Any references in this section to WPD shall refer to WPD as a subsidiary of and the operating branch of the Company.

The Company's business objective is the pursuit of regulatory approvals to sell medicines to the public. To accomplish this objective, the Company intends to:

(a) continue drug trials and research;

(b) scale up its manufacturing process to be ready for GMP manufacturing; and

(c) partner with an established pharmaceutical company to develop or license out and distribute our products.

The above objective may change at any time depending on market conditions. There is no certainty that the Company's business objective will be achieved on the terms anticipated or at all. See "*Risk Factors*".

To accomplish the foregoing business objectives, the Company will target the following milestones:

(a) in vitro and animal trials; and

(b) clinical and human trials.

The above milestones may change at any time depending on market conditions and are subject to various risks associated with conducting clinical trials, receiving regulatory approval and acquiring additional funding, as applicable, on terms acceptable to the Company. See – "*Risk Factors*".

WPD

WPD's business model is focused on developing the therapeutic platform acquired from WFUHS using the benefit of European Union (EU) grant funding, know-how of clinical development in the Central European region and partnering with companies willing to use the same benefits in risk-sharing co-development for, but not limited to, Glioblastoma Multiforme.

Berubicin is a new anthracycline proven to be able to cross the blood-brain barrier ("**BBB**") and to reach brain tumours. It is therefore thought to be very promising for potential brain tumour treatment. WPD has a license for its development.

Outside of GBM, WPD is planning to target other cancers including but not limited to Melanoma, Acute Myeloid Leukemia and Pancreatic Cancer with products licensed under the Wake Forest License Agreement, the CNS Sublicense Agreement and the Moleculin Sublicense Agreement.

Strategic Objectives

The Company, through its operating entity WPD, seeks to bring innovative medicinal products in the field of oncology to market to treat large unmet needs and improve the standard of care.

Short-Term Objectives

The Company has identified the key short-term (12 month) objectives and milestones that are vital to the Company.

1. Move Forward with WPD101

WPD101 is currently in the preclinical stage of development. Its consistent anticancer properties are demonstrated and validated in dogs with spontaneous GBM closely resembling GBM in human patients. Overall, results of the research indicates the significant potential of WPD101 demonstrating the same effective treatment of GBM in humans. Phase 1 of the clinical trial in humans is expected to begin by the end of 2020 or beginning of 2021.

In order to move to Phase 1 clinical trials in humans, WPD will need to finish the manufacturing for the development of the drug delivery formulation, which is expected to be completed in 2020. In February 2018, WPD received a grant from the NCRD in Poland for the development of WPD101 that would include Phase I clinical studies in GBM tumors. Management expects this grant to cover 70 – 80% of all research and development costs for the next 2-3 years.

Total estimated costs associated with the WPD101 phase I clinical trials are 33,699,206 PLN (CDN$11,457,730), comprised of pre-clinical costs of 6,992,609 PLN (CDN$2,377,487), clinical costs of 17,724,943 PLN (CDN$6,026,480), and lab development/manufacturing costs of 8,982,653 PLN (CDN$3,054,102).

It is estimated that the Company will only have to contribute $715,000 towards these costs, as the remainder will be covered through funds granted to WPD as described herein.

The initial main markets for any commercialized products resulting from WPD's development of WPD101 would be the United States and Europe. Consequently, WPD applies the standards prescribed by the United States and the EU to its medical products, scientific research processes and interpretation of results. WPD collaborates with and develops its products with input from institutions and scientists based in the United States and the EU. At least some portions of WPD's projects will be conducted in the United States and/or the EU.

2. Move Forward with Berubicin

WPD will advance the Berubicin project in accordance with the CNS Sublicense Agreement. WPD must use commercially reasonable development efforts to attempt to develop the sublicensed products, including Berubicin, in the sublicensed territory within the sublicensed field, as further set out in the CNS Sublicense Agreement. Commercially reasonable development efforts means the expenditure of at least $2 million on the development, testing, regulatory approval or commercialization of Berubicin during the three year period commencing on August 30, 2018. With a grant from the NCDR in Poland awarded to WPD for the continued development of Berubicin in adult and in pediatric population in February 2018, management expects to receive 70-80% of all development costs reimbursed with all development costs covered for the next 2-3 years by this grant.

WPD expects to begin phase 2 clinical trials in 2020. Total estimated costs associated with the above are 33,306,215 PLN (CDN$11,324,113), comprised of pre-clinical costs of 2,511,987 PLN (CDN$854,075), clinical costs of PLN 23,766,474 (CDN$8,080,601), and manufacturing costs of 7,027,754 PLN (CDN$2,389,436).

It is estimated that the Company will only have to contribute $1,380,000 towards these costs, as the remainder will be covered through funds granted to WPD as described herein.

The initial main markets for any commercialized products resulting from WPD's development of Berubicin would be the sublicensed territories in Europe established under the CNS Sublicense Agreement. Consequently, WPD applies the standards prescribed by the United States and the EU to its medical products, scientific research processes and interpretation of results. WPD collaborates with and develops its products with input from institutions and scientists based in the United States and the EU. At least some portions of WPD's projects will be conducted in the United States and/or the EU.

3. Move Forward with Annamycin

WPD will move forward with the development of Annamycin pursuant to the Moleculin Sublicensing Agreement. WPD must use commercially reasonable development efforts to develop and commercialize the sublicensed

products, including Annamycin, in the sublicensed territory within the sublicensed field as further set out in the Moleculin Sublicense Agreement. Commercially reasonable development efforts means the expenditure of at least $2 million during the first two year period beginning February 19, 2019 on the research, development and commercialization of the sublicensed products.

Annamycin is reportedly (as noted on www.clinicaltrials.gov) in a Phase I trial in both Poland and USA. It is reportedly in dose escalation studies evaluating safety and activity. WPD was submitted a grant proposal which management expects could provide an additional $7 million in the next 48 months to cover 70-80% of the costs clinical trial for Annamycin. WPD's expected cost of a successful application is $400,000; however, the Company does not anticipate incurring these expenses over the next 12 months.

The initial main markets for any commercialized products resulting from WPD's development of Annamycin would be the sublicensed territories in Europe established under the Moleculin Sublicense Agreement. Consequently, WPD applies the standards prescribed by the United States and the EU to its medical products, scientific research processes and interpretation of results. WPD collaborates with and develops its products with input from institutions and scientists based in the United States and the EU. At least some portions of WPD's projects will be conducted in the United States and/or the EU.

4. Move Forward with WP1066

WPD will move forward with the development of WP1066 pursuant to the Moleculin Sublicensing Agreement. WPD must use commercially reasonable development efforts to develop and commercialize the sublicensed products, including WP1066, in the sublicensed territory within the sublicensed field as further set out in the Moleculin Sublicense Agreement. Commercially reasonable development efforts means the expenditure of at least $2 million during the first two year period beginning February 19, 2019 on the research, development and commercialization of the sublicensed products.

WP1066 is reportedly (as noted on www.clinicaltrials.gov) in a Phase I trial at MD Anderson for GBM and melanoma metastasized to the brain (WP1066 crosses the blood-brain barrier, or BBB). It is reportedly in the third cohort of dose escalation evaluating safety and activity and there is planned surgical expansion to be able to assess tumor tissue directly after administration of WP1066 at the maximum tolerated dose (MTD) for direct confirmation of target inhibition.

WPD has submitted a grant proposal which management expects could provide an additional $7 million in the next 48 months to cover 70-80% of the costs of Phase I clinical trials for WP1066 and related analogs. WPD's expected cost of a successful application is $400,000; however, the Company does not anticipate incurring these expenses over the next 12 months.

WPD will collaborate with Moleculin, which is based in the United States, on the development of WP1066.

5. Investor Relations Program

WPD management plans to implement an investor relations program to create awareness to attract investors and communicate effectively with its shareholders. Management is currently exploring multiple options including hiring an external investor relations firm, or establishing its own investor relations team. Management understands that a vibrant investor relations program is key to attracting new investors into WPD and keeping investors informed of WPD's business plans. This is anticipated to cost approximately $250,000.

<u>Medium & Long-Term Objectives</u>

In order to ensure that the Company continues to enhance shareholder value and develop its business, the following medium and long-term objectives and milestones have been identified.

1. Explore Combination Treatments

Part of WPD's goal is to have a product for GBM that is used as part of a combination treatment. WPD plans to investigate the efficacy and viability of combining its own products specifically WPD101 with Berubicin and WPD101 with WPD1066 but also other compounds. WPD's objective is to proactively offer the combination treatments as a full package to potentially provide a better treatment option also for other cancers.

2. Join Industry Groups

WPD plans to join industry associations within the pharmaceutical industry in the jurisdiction in which it operates to remain updated on competitors in the industry and to help improve the awareness of WPD's brand and provide an ideal venue for WPD to expand its network and establish relationships that are mutually beneficial.

3. Evaluate Future Financings

As WPD grows and its product portfolio progresses into deeper stages of development, more capital may be required to finance clinical trials and additional studies. More capital may also be necessary for WPD to engage in mergers and acquisitions and/or licensing agreements with other biotech and/or medtech companies.

4. Expand Products into Other Indications

WPD has multiple products in its pipeline, including Berubicin as established under the CNS Sublicense Agreement, products in the WP family as established under the Moleculin Sublicense Agreement and certain licensed products under the Wake Forest License Agreement, which may have mechanisms of action that could prove to be effective in other cancers than those already described herein.

WPD is planning in vitro research in order to expand its products into multiple indications other than those already described herein.

Principal Products or Services

<u>WPD101</u>

WPD101 is a biologic compound developed by WPD under the Wake Forest License Agreement. It is composed of recombinant proteins conjugated with bacterial toxins preferentially targeting GBM cells and causing them to be eliminated due to the bacteria-toxins-induced intracellular cytotoxic effects, thereby limiting tumor growth.

WPD101 is currently in clinical development in animals and its consistent anticancer properties are demonstrated and validated in dogs. The research stage has been completed and a final report is now being prepared. Overall, results of these studies indicate the significant potential of WPD101 demonstrating the same effective treatment of GBM in humans. Phase 1 of clinical trials is expected to begin in 2020.

Using the same molecular target, WPD101 is also planned to be tested in Uveal Melanoma, a rare but deadly cancer of the eye, rapidly progressing to the liver.

WPD101 Program

The WPD101 research and development program under agreement with the NCRD of Poland is planned to continue until 2023. Current research is focused on scaling-up manufacturing preparation for production in large scale, leading to production of the compound according to Good Manufacture Practice ("**GMP**") for Phase 1 clinical trial purposes. Phase 1 of clinical trials is planned to begin in 2020/21.

The grant funds, currently committed together with the portion of expenditures required by the grants to be contributed by WPD from other sources, will enable the completion of the research program, including production

of the biologically active compound in a GMP facility with all the necessary quality standards and pre-clinical development using animal models. The development program of the WPD101 will include up-scaling of the active compound production, which is expected to be completed in 2020, as well as Phase 1 clinical trials, which is expected to be completed during 2022-2023.

There are sufficient available funds committed in existing grants, together with the portion of expenditures required by the grants to be contributed by WPD from other sources, to complete the WPD101 research program. This includes the following breakdown of anticipated costs:

(i) direct costs: including all necessary salaries to employees, re-agents, chemicals, analytes, many disposable and reusable materials, research and analytical equipment; and

(ii) costs of external services and vendors, including among others: gene sequencing, research and clinical services, expert consulting, active compounds manufacturing with GMP facilities; pre-clinical research on an animal model, according to regulations; contract research services and costs of rental of specialist research equipment.

Total estimated costs associated with the above are 33,699,206 PLN (CDN$11,457,730), comprised of pre-clinical costs of 6,992,609 PLN (CDN$2,377,487), clinical costs of 17,724,943 PLN (CDN$6,026,480), and lab development/manufacturing costs of 8,982,653 PLN (CDN$3,054,102).

Berubicin

Berubicin is a new anthracycline proven to cross the blood brain barrier and able to reach brain tumors. This discovery can potentially extend the clinical use of anthracyclines to brain tumors, specifically GBM. Berubicin's Phase 1 clinical trial, the first time it was tested in humans, yielded very promising results with 44% of the patients showing a clinical response. In addition, Berubicin has shown evidence of improved overall survival in a patient population that currently has a dismal median survival rate of only 14.6 months from diagnosis. Phase 2 of the clinical trial is expected to begin in 2020. WPD also plans to continue development of Berubicin in the pediatric population (first-in-children Phase 1 clinical trial).

Additional compounds are licensed by WPD under the Wake Forest Sublicense Agreement and the Moleculin Sublicense Agreement.

Drug development can generally be divided into phases. The first is the preclinical phase, which usually takes three to four years to complete. If successful, this phase is followed by the start of in human clinical trial Phases 1, 2, and 3. All clinical trials must be reviewed and approved by an Institutional Review Board/Ethic Committee and valid Regulatory Body, either centrally or at the institutions where the trials will take place. WPD is focused on Phase 1 trials, where the candidate drug is tested in people for the first time, and this stage takes approximately one to two years. These oncology studies are usually conducted with about 20 to 100 volunteer oncology patients. The main goal of a Phase 1 trial is to discover if the drug is safe in humans. Researchers also look at the pharmacokinetics of a drug, such as how the drug is absorbed, metabolized and eliminated from the body. Phase 1 trials also study the drug's pharmacodynamics, such as whether the drug causes side effects or produces the desired effects. If the results of the Phase 1 trial are positive, the drug moves on to Phase 2 trials. All Phase 1 clinical trials must be reviewed and approved by an independent ethics committee and either the European Medicines Agency ("**EMA**") or the local country's authorized medical agency. Successful completion of Phase 1 allows for commencement of Phase 2. At the Phase 2 stage, there may be interest from third parties to sub-license some of the technology developed.

A Phase 2 clinical trial for adults and a Phase 1 clinical trial for children is planned for Berubicin. In Phase 2 trials, researchers usually evaluate the candidate drug's effectiveness in about 100 to 500 patients with the disease or condition under study, and examine the possible short-term side effects (adverse events) and risks associated with the drug. Researchers also strive to answer whether the drug is working in accordance with the expected mechanism, and whether the drug improves the condition in question. Researchers also analyze optimal dose strength and schedules for using the drug. If the results of the Phase 2 trial are positive, the drug moves on to Phase 3 trials. All

Phase 2 clinical trials must be reviewed and approved by an independent ethics committee and either the EMA or the local country's authorized medical agency. Successful completion of Phase 2 allows for commencement of Phase 3. At the Phase 3 stage, there may be additional interest from third parties to sub-license some of the technology developed.

After Phase 3 clinical trials prove successful, the company can apply to the EMA for marketing authorization, which means the company can sell the product to the medical industry. However, it is most common and likely that the company will partner with an established pharmaceutical company to carry out the sale and distribution of the product.

WPD plans to apply to the EMA to dispense with the requirements of Phase 3 clinical trials and apply directly to market to the medical industry after Phase 2 clinical trials because of the large unmet medical needs of certain oncology patients, where there is currently no treatment that fulfills the needs of a majority of patients suffering from certain diseases, especially glioblastoma.

Berubicin Program

The grant funds, currently committed together with the portion of expenditures required by the grants to be contributed by WPD from other sources, will enable the completion of the Berubicin research program, including production of the biologically active compound in a GMP facility. The Berubicin research program will include the following breakdown of anticipated costs:

(i) direct costs, including all necessary salaries to employees, necessary re-agents, chemicals, analytes, many disposable and reusable materials, research and analytical equipment;

(ii) costs of rental of specialist research equipment and infrastructure for conducting pre-clinical research (in vitro studies); and

(iii) external service, including active compound manufacturing according to GMP and contract research services.

The Berubicin development program is focused on clinical studies performance. It will include the following breakdown of anticipated costs:

(i) direct costs including all necessary salaries to employees and costs of contracts with clinical sites and materials and equipment necessary for clinical trial performance; and

(ii) vendors, including investigational product manufacturing in dedicated GMP facility and cost of drug release for clinical trial, according to standards and regulations, Contract Research Organization ("**CRO**") service with clinical trial monitoring, pharmacovigilance and biostatistics and analysis of pharmacokinetics.

The Berubicin research program includes pre-clinical tests to determine the prospective use of this molecule with other anticancer compounds. Research includes in vitro studies, among other things.

Total estimated costs associated with the above are 33,306,215 PLN (CDN$11,324,113), comprised of pre-clinical costs of 2,511,987 PLN (CDN$854,075), clinical costs of PLN 23,766,474 (CDN$8,080,601), and manufacturing costs of 7,027,754 PLN (CDN$2,389,436).

Annamycin

Annamycin is a next generation anthracycline that is licensed to WPD from Moleculin and is being developed with an initial focus on acute myeloid leukemia ("**AML**"). A common problem with leading AML induction therapy drugs is that they are cardiotoxic and lose efficacy due to multidrug resistance.

The term cardiotoxic refers to drugs that can cause severe, permanent and sometimes fatal damage to the heart.

Multidrug Resistance ("**MDR**") refers to mechanisms by which many cancers develop resistance to chemotherapy drugs and is a major factor in the failure of many forms of chemotherapy. It affects patients with a variety of blood cancers and solid tumors, including breast, ovarian, lung, and lower gastrointestinal tract cancers. Tumors usually consist of mixed populations of malignant cells, some of which are drug-sensitive while others are drug-resistant. Chemotherapy kills drug-sensitive cells but leaves behind a higher proportion of drug-resistant cells. As the tumor begins to grow again, chemotherapy may fail because the remaining tumor cells are now able to recognize the chemotherapy and reject it at the cellular level, thus rendering it resistant to the therapy. As MDR begins to counteract chemotherapy drugs, it can require higher and higher doses to kill tumor cells, yet the unwanted side effects of the drugs, like cardiotoxicity, ultimately prevent such increases in dosing.

Annamycin has little to no cardiotoxicity, avoids multidrug resistance, has been shown to be more potent in AML cell lines and has shown activity in patients who failed standard of care. Its unique design prevents it from being recognized by the MDR mechanisms that typically defeat the currently approved anthracyclines, allowing it a better opportunity to accumulate to therapeutic levels without dangerous increases in dosing.

The first line treatment of cancerous AML cells is called "7+3 inductiontherapy," a 50+ year old treatment that we estimate is effective for only about 20% of the AML population. In order to achieve remission and become eligible for a curative bone marrow transplant, the patient must post very positive results from the first-line (induction phase) therapy, which requires destruction of 95% of the leukemia cells. On average, around 80% of all AML patients will fail to respond to or will relapse from this induction therapy. Annamycin is seeking approval as a second line treatment for these 80% of patients.

In a proof-of-concept Phase I/II clinical trial, Annamycin was given to patients who had failed an average of five previous induction therapy attempts and 37% of those patients cleared enough of their leukemic cells to qualify for a bone marrow transplant. WPD's goal is to repeat this performance in a larger clinical trial, which management believes could warrant new drug approval.

Grants/Funding

Annamycin has received over $2 million in grants (through its development partner MD Anderson Cancer Center) and has had $20 million in development dollars invested in furthering the technology. It is expected that WPD will receive an additional $2 to $3 million in the next 24 months for Phase I and Phase II clinical trials. Most of the research money expended to date has been expended in the United States.

Development

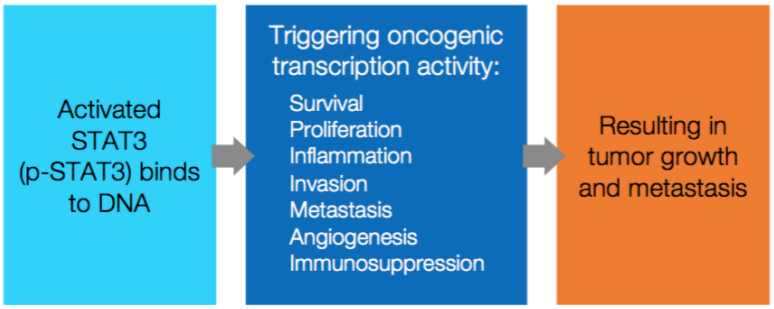
WPD's licensor, Moleculin, is conducting Phase I/II clinical trials, both in the U.S. and EU. Both the U.S. trial (MB-104) and the EU trial (MC-105) have begun treating patients. Management believes a repeat of prior results should afford Annamycin an accelerated approval pathway as a second line induction therapy for relapsed or refractory AML (R/R AML).

<u>WPD1066</u>

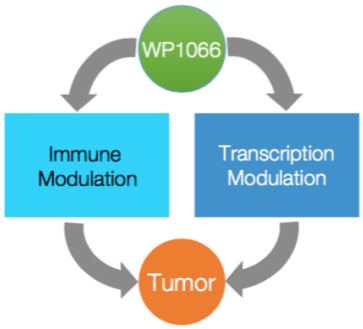
WP1066, licensed to WPD from Moleculin, represents a new class of drugs, which are called "Immune/Transcription Modulators." It is currently being developed to treat glioblastoma and melanoma brain metastases.

WP1066 has a dual mechanism of action as a first-in-class drug to both directly inhibit tumor signaling (p-STAT3, HIF-1α, c-Myc) while also stimulating patient immune response (Tregs). In other words, WP1066 has demonstrated the ability to directly induce apoptosis (tumor cell death) but also the ability to stimulate an immune response to tumors allowing T-cells to attack tumor cells. Another important characteristic of WP1066 is its ability to cross the blood brain barrier, which could make it a good candidate for potentially treating brain tumors and other malignancies of the central nervous system (CNS), including CNS metastasis.

STAT3 is a master regulator of tumor progression as showcased in the diagram below.



WP1066 affects tumors both directly and indirectly by modulating transcription factors resulting in direct tumor cytotoxicity while also stimulating a natural immune response by reducing Regulatory T-cells (Tregs).



This suggests that WP1066 may be a unique dual action drug (direct cytotoxic effect on tumor cells and separately boosting the natural immune system to attack tumors) that may make it and some of its analogs well suited to treat effectively a wide range of thus far resistant tumors and to serve as a critical element in creating effective drug combination therapies for example with products based on Wake Forest license for targeting some of the most unresponsive cancers.

Grants/Funding

Moleculin and other related parties have received over $8 million and grants and have $15 million invested in WP1066 development to further the technology. Additional grants of $3 million are expected in the next 24 months for Phase I and II clinical trials for WP1066 and related analogs.

WP1066 has received an Orphan Drug designation in the U.S. for the treatment of glioblastoma, which provides seven years of marketing exclusivity.

Development

WP1066 is currently being studied via an investigator-initiated IND with MD Anderson Cancer Center in a dose-escalation Phase I clinical trial in patients with brain tumor or melanoma metastasis to the brain. It is presently in the third cohort of dose escalation evaluating safety and activity with planned surgical expansion to be able to assess tumor tissue directly after administration of WP1066 at the maximum tolerated dose (MTD) for direct confirmation of target inhibition. Additionally, oral administration (due to lack of solubility) is demonstrating bioavailability in patients.

Apart from brain tumors, AML is often associated with a high up regulation of p-STAT3. Because WP1066 is a potent inhibitor of p-STAT3 a subsequent initiation of clinical studies in AML patients is planned in 2019-20.

Operations

WPD occupies approximately 100 square meters of laboratory and office space in Warsaw, Poland and Wrocław, Poland, and also has access to shared labs at both the University of Warsaw Biological and Chemical Research Centre and Wroclaw Technology Park. WPD has 10 employees, 7 of whom are involved in research and 3 of whom are involved mainly in administration.

WPD is party to a lease agreement with Wroclaw Technology Park (WPT) dated March 12, 2018 for laboratory infrastructure (the "**WPT Lease Agreement**"). Pursuant to the WPT Lease Agreement, WPD has leased a laboratory room for $41,304 per year (underlying currency of the contract is PLN), plus operating costs, which will be co-financed by WPD's grants for a term of two years.

WPD is conducting research and development using its own resources including researchers, laboratory technicians, pre-clinical and clinical trials managers. It also subcontracts out research and development. This part includes such activities as pre-clinical trials performance on animal models that needs special infrastructure, CRO services, in laboratory pharmacokinetics analysis that meets the standards of Good Laboratory Practice ("**GLP**"), manufacturing of active pharmaceutical ingredients ("**API**") and investigational products dedicated for clinical trials, that need to be produced according to GMP standards and quality control defined by national and European regulations.

Development of WPD101 includes production of the active compound in laboratory/small scale and development of methods for quality control. Subcontracting includes manufacturing of the API and IP for the purpose of clinical trials by the specified manufacturer, that meets the standards of GMP.

Development of Beribicine includes testing of the active compound by itself in laboratory/small scale. Subcontracting includes manufacturing of the API and IP for the purpose of clinical trial by specified manufacturers that meets the standards of GMP.

WPD's operations in Poland are conducted in Polish, but much of WPD's business is done with or in other countries, in which case English becomes the primary language used. Transactions in Poland use the Polish Zloty, but WPD uses the Euro or the United States dollar for most of its most important transactions, including licenses, collaborations, sublicenses, research grant applications, marketing and most other functions. WPD's licensors include Moleculin and CNS Pharma, which are both NASDAQ-listed US companies, and WFUHS, a major U.S. university. Such licensors work with WPD and conduct precise scientific research to ensure that drug candidates are developed to a standard that would be acceptable to the US Food and Drug Administration and the European EMA. WPD's clinical trial standards are comparable to those of large, global drug production companies.

Market

The initial main markets for any commercialized products resulting from WPD's product development would be the United States and Europe, depending on the applicable license agreement pursuant to which such products are commercialized. Consequently, WPD applies the standards prescribed by the United States and the EU to its medical products, scientific research processes and interpretation of results. WPD collaborates with and develops its products with input from institutions and scientists based in the United States and the EU. At least some portions of WPD's projects will be conducted in the United States and/or the EU.

<u>Glioblastoma Multiforme</u>

GBM is the most aggressive form of cancer that begins within the brain. GBM represents 15.4% of all primary brain tumors and about 60% to 75% of all astrocytoma and shows rapid growth rate of benign cells in the organ. Most patients with GBM survive less than two years from diagnosis. What makes GMB so hard to treat is that the central nervous system (CNS) is protected by the bloodbrain barrier, a mechanism to filter out toxins to protect the brain. Unfortunately, this prevents most cancer drugs from reaching brain tumors, leaving very few treatment options.

GBM is the highest-grade glioma (grade IV) tumor, where a large number portion of tumor cells are reproducing and dividing at any given time. A glioma is simply a type of tumor that occurs in the brain and spinal cord. The histologic features that distinguish GBM from all other grades are the presence of necrosis (dead cells) and increase of abnormal growth of blood vessels around the tumor. Grade IV tumors are always rapidly growing and highly malignant tumors. Brain tumors cannot be prevented and the cause of these types of tumors and other tumors in the brain is still unknown.

Symptoms of GBM interfere with the normal functions of the brain. As a brain tumor grows, since the skull cannot expand in response to the growth of a tumor the first symptoms are usually due to increased pressure in the brain. Headaches, seizures, memory loss, loss in movement or sensation on one side of the body, language dysfunction and cognitive impairments and changes in behavior are the most common symptoms.

There are very few treatments options available and for the past several decades, the survival outcomes for patients with GBM have changed very little, with a median survival time of 14-16 months. The current standard of care for newly diagnosed GBM consists of maximal safe surgical resection followed by concurrent radiation therapy with temozolomide, followed by adjuvant temozolomide (Stupp, Hegi et al. 2009). This treatment resulted in an increase in median survival of 2.5 months (from 12.1 to 14.6 months) and an increase in 2- year survival of 26%, without a negative impact on the patients' quality of life.

Typically, a person suffering from GBM survives for around one year, with a marginal survival rate of 3% to 5% over five years. A rising aging population along with increasing awareness of novel therapies and modern diagnostic techniques has added to the growth of the GBM market.

Research and consulting firm GlobalData forecasts the GBM treatment market will increase from US$659 million in 2014 to US$3.3 billion by 2024, representing a compound annual growth rate ("**CAGR**") of 17.4%. Growth is expected to occur across the seven major markets - the US, Spain, France, the UK, Italy, Germany, and Japan.

Melanoma

Melanoma is the most serious type of skin cancer and it develops in the cells (melanocytes) that produce melanin — the pigment that gives skin its color. The global melanoma therapeutics market is expected to reach US$12.4 billion by 2025, according to a new report by Grand View Research, Inc. Increasing incidence of chronic diseases such as melanoma, skin cancer, and skin allergies is an important driver of the market.

Uveal Melanoma

Uveal melanoma is a cancer of the eye involving the iris, ciliary body, or choroid (collectively referred to as the uvea). The incidence of uveal melanoma has remained relatively constant, between five and six cases per million people in the United States and Europe. It is the most common primary intraocular malignancy in adults, representing approximately 5 percent of all melanomas recorded in the United States. Uveal melanoma is most common among middle-aged Caucasians of European descent. Unlike cutaneous melanomas, uveal melanomas have no known association with ultraviolet (UV) light; nor is smoking believed to be a risk factor. When eye melanoma is spread to distant parts of the body, the five-year survival rate is about 15%.

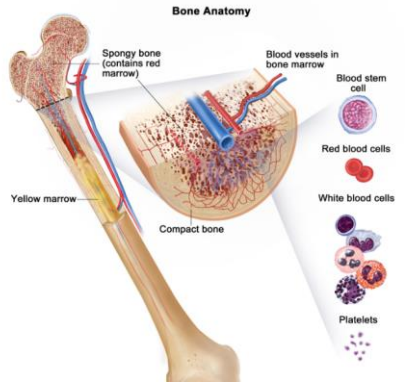
The treatment protocol for uveal melanoma has been directed by many clinical studies, the most important being The Collaborative Ocular Melanoma Study ("**COMS**"). The treatment varies depending upon many factors, chief among them the size of the tumor and results from testing of biopsied material from the tumor. Primary treatment can involve removal of the infected eye (enucleation) although advances in radiation therapies have significantly reduced the number of enucleations in developed countries.

Melanoma Brain Metastases

Melanoma can spread to other parts of the body, including an internal organ such as the brain. This is a frequent and often deadly problem in patients with advanced melanoma.

Acute Myeloid Leukemia

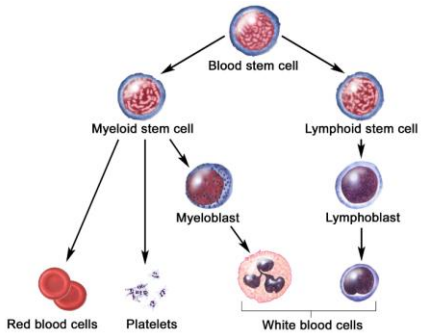
Acute myeloid leukemia (AML) is a type of cancer in which the bone marrow makes abnormal myeloblasts (a type of white blood cell), red blood cells, or platelets that transform into cancer.



Unlike normal blasts, the leukemic blasts do not mature into red blood cells, white blood cells or platelets. The leukemic blasts interfere with the ability of normal blasts to mature, which increases the number of blasts in the body and reduces the number of normal mature blood cells. Leukemic blasts can travel around the body through the bloodstream and interfere with the function of organs.

Steps in blood cell development can be seen below. A blood stem cell goes through several steps to become a red blood cell, platelet, or white blood cell.

Healthy white blood cells, red blood cells and platelets are essential: (i) white blood cells fight infection; (i) red blood cells carry oxygen from your lungs to other parts of your body and take carbon dioxide back to your lungs to be removed; and (iii) platelets make your blood clot and slow or stop bleeding.



In 2015, AML affected about one million people and resulted in 147,000 deaths globally and as an acute leukemia, AML progresses rapidly and is typically fatal within weeks or months if left untreated. That being said, AML is curable in about 35% of people under 60 years old and 10% over 60 years old.

Doctors do not know what causes AML. The disease typically affects older people with the average age of occurrence being 66. It is also slightly more common in males than females.

AML is typically treated with chemotherapy with the goal of inducing remission. If unsuccessful, the next treatment is more chemotherapy, radiation therapy or a stem cell transplant.

Research from Market Research Future forecasts the market for AML treatment is expected to reach US$1.2 billion by the end of 2023, growing at a CAGR of approximately 5.3% over the period 2017 to 2023. The major drivers of

the AML market will include the launch of premium-priced therapies, an increasing branded drug treatment rate, a growing desire to develop targeted therapies to treat AML patients with specific driver mutations, and a rising number of elderly incident cases of AML.

Pancreatic Cancer

Pancreatic cancer begins in the tissues of the pancreas — an organ in your abdomen that lies horizontally behind the lower part of your stomach. The pancreas releases enzymes that aid digestion and hormones that help manage the body's blood sugar.

Pancreatic cancer typically spreads rapidly to nearby organs and it is seldom detected in its early stages. According to the American Cancer Society, for all stages of pancreatic cancer combined, the one-year relative survival rate is 20%, and the five-year rate is 7%. These low survival rates are attributable to the fact that fewer than 20% of patients' tumors are confined to the pancreas at the time of diagnosis; in most cases, the malignancy has already progressed to the point where surgical removal is impossible.

The treatment options for people with cancer of the pancreas are surgery, chemotherapy, targeted therapy, immunotherapy, and radiation therapy. These treatments can be done in combination or on their own.

In 2019, an estimated 56,770 Americans will be diagnosed with pancreatic cancer in the U.S., and more than 45,750 will die from the disease.

Few risk factors for developing pancreatic cancer are defined. The risk for cigarette smokers is twice that for those who have never smoked. Family history of pancreatic cancer, chronic pancreatitis, alcohol use, obesity and diabetes are risk factors. Individuals with Lynch syndrome and certain other genetic syndromes, as well as BRCA1 and BRCA2 mutation carriers, are also at increased risk.

Pancreatic cancer is the third leading cause of cancer-related death in the United States surpassing breast cancer. It is expected to become the second leading cause of cancer-related death in the U.S. by the year 2020, surpassing colorectal cancer.

While the survival rate for many types of cancers have improved with modern medicine, pancreatic cancer is one of the few cancers for which survival has not improved substantially for more than 40 years, as such it also has the highest mortality rate of all major cancers. For all stages combined, 91% of pancreatic cancer patients will die within five years of diagnosis – only 9% will survive more than five years. A report from Grandview Research estimates that the global pancreatic cancer treatment market is expected to reach US$4.2 billion in 2025. Increasing tobacco consumption, smoking, obesity, and growing awareness pertaining to various treatment options available are propelling the market growth at a global level.

Summary

The final products that may come from WPD's research and development are years away from commercialization. It is likely that WPD will partner with large pharmaceutical companies to develop and sell its products worldwide should these products prove to be successful. In the meantime, WPD is raising awareness of compounds and its brand in both the oncology and pharmaceutical industries and is working on possible partnerships with established pharmaceutical companies.

WPD is developing products for the global market but, it is worth considering that according to EU Commission data for Poland, where WPD's research base is located, Poland is one of the top five countries in Europe in terms of highest incidence and mortality rates of brain and CNS cancer (source: https://ecis.jrc.ec.europa.eu). Poland is also one of main hubs for clinical research in the Central European region and Europe and regulations for clinical trials are harmonized on the EU level.

Regulatory Overview

The business of pharmaceutical companies is to conduct research and development ("**R&D**") to understand a disease and bring a safe and effective new treatment to patients. The first stage in drug development involves identifying "targets" – potential new drugs that are able to affect a disease or the progression of the disease. This is the pre-clinical stage of drug development. Next, researchers work to validate the target to test the compound in the lab and clinic for safety and efficacy and ultimately gain regulatory approval to bring the drug to market.

Industry analysts estimate that the time from the discovery of a compound or target to the first commercial sale is on average 10 to 12 years and costs in the range of US$800 million to US$2.6 billion, with cash costs estimated at US$13 billion. Such costs include the thousands of failures, which companies experience. Industry participants estimate that for every 5,000 to 10,000 targets and compounds that enter the R&D pipeline, one will receive regulatory approval.

Major biopharmaceutical companies are the primary source of R&D funding for new medicines, both for projects in their own laboratories as well as for research licensed in from smaller companies.

Regulatory agencies such as the U.S. Food and Drug Administration ("**FDA**"), Health Canada and the EMA require extremely thorough testing before a candidate drug can be studied in humans.

Companies must also focus on the techniques to mass-produce the drug for use in clinical trials and eventual commercialization. Techniques for making a drug in the lab on a small scale do not always translate easily to larger production. While each country has its own regulatory regime, the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use ("**ICH**") has been working to bring together the regulatory authorities and pharmaceutical industry of Europe, Japan and the U.S. to discuss scientific and technical aspects of drug registration. Health Canada is a regulatory member of the ICH.

The objectives of ICH are to improve the efficiency of new drug development and registration process and to promote public health, prevent duplication of clinical trials in humans and minimize the use of animal testing without compromising safety and effectiveness.

As a result of ICH, a drug company is not required to start from Phase 1 in each regulatory regime and the time and costs associated with reformatting documentation has been reduced.

European Union Regulatory Approval Process

Before any medicines can be used in the European Union ("**EU**"), they have to be licensed. Drugs are licensed for use in a European country either with a European license or national licenses. The EMA is responsible for issuing EU-wide licenses.

Nearly all drugs in the EU are licensed through the EMA because a single EMA license is valid in all the countries of the EU. Before the EMA was formed, companies had to apply to each country individually for a license.

The drug approval process for the EU is also accomplished in two phases: clinical trial and marketing authorization. A clinical trial application ("**CTA**") is filed to the competent authority of the state or as per new regulations, the EMA, to conduct the clinical trial within EU. The competent authority of that member state or the EMA evaluates the application. The clinical trials are conducted only after the approval. The purpose and phases of clinical trials are similar as specified in FDA drug approval process described above.

After completing of all three phases of clinical trial, a marketing authorization application is filed including all animal and human data, its analyses, as well as pharmacokinetics, manufacturing and proposed labeling.

Each country within the EU has its own procedures for authorizing a marketing application for a new drug. In the EU, there are two main routes for authorizing medicines: a centralized route and a national route.

Centralized Procedure

Under the centralized authorization procedure, pharmaceutical companies submit a single marketing-authorization application to EMA. This allows the marketing-authorization holder to market the medicine and make it available to patients and healthcare professionals throughout the EU on the basis of a single marketing authorization. Today, the great majority of new, innovative medicines are required to pass through the centralized authorization procedure in order to be marketed in the EU.

EMA's Committee for Medicinal products for Human Use ("**CHMP**") or Committee for Medicinal products for Veterinary Use ("**CVMP**") carry out a scientific assessment of the application and give a recommendation on whether the medicine should be marketed or not.

FDA Regulatory Approval Process

Of all members of the Organization for Economic Cooperation and Development, the United States pays the most per capita for prescription drugs. Many attribute these costs to the length of time and cost associated with bringing a new drug to market.

Drug development can generally be divided into phases. The first is the preclinical phase, which usually takes three to four years to complete. If successful, this phase is followed by an application to the FDA as an investigational new drug ("**IND**") application. After an IND application is approved, the next steps are clinical trial Phases 1, 2, and 3.

The IND application includes the results of the preclinical work, the candidate drug's chemical structure and how it is thought to work in the body, a listing of any side effects and manufacturing information. The IND application also provides a detailed clinical trial plan that outlines how, where and by whom the studies will be performed.

The FDA reviews the application to make sure people participating in the clinical trials will not be exposed to unreasonable risks. In addition to the IND application, all clinical trials must be reviewed and approved by an Institutional Review Board ("**IRB**"), either centrally or at the institutions where the trials will take place. This process includes the development of appropriate informed consent, which will be required of all clinical trial participants.

Phase 1 Clinical Trial

In Phase 1 trials the candidate drug is tested in people for the first time and this stage takes approximately one to two years. These studies are usually conducted with about 20 to 100 oncology patient volunteers. The main goal of a Phase 1 trial is to discover if the drug is safe in humans. Researchers also look at the pharmacokinetics of drug: How is it absorbed? How is it metabolized and eliminated from the body? Phase I trials also study the drug's pharmacodynamics: Does it cause side effects? Does it produce desired effects? If the results of the Phase 1 trial are positive, the drug moves on to Phase 2 trials.

Phase 2 Clinical Trial

In Phase 2 trials researchers evaluate the candidate drug's effectiveness in about 100 to 500 patients with the disease or condition under study, and examine the possible short-term side effects (adverse events) and risks associated with the drug. Researchers also strive to answer these questions: Is the drug working by the expected mechanism? Does it improve the condition in question? Researchers also analyze optimal dose strength and schedules for using the drug. If the results of the Phase 2 trial are positive, the drug moves on to Phase 3 trials.

Phase 3 Clinical Trial

In Phase 3 trials researchers study the drug candidate in a larger number (about 1,000-5,000) of patients to generate statistically significant data about safety, efficacy and the overall benefit-risk relationship of the drug. Phase 3 trials are generally both the costliest and longest trials. Phase 3 trials also compare the drug candidate to the best currently available treatment.

Once all three phases of the clinical trials are complete, the sponsoring company analyzes all of the data. If the findings demonstrate that the experimental medicine is both safe and effective, the company files a New Drug Application ("**NDA**") with the FDA requesting approval to market the drug. The NDA includes all of the information from the previous years of work, as well as the proposals for the manufacturer and labeling of the new medicine.

FDA experts review all the information included in the NDA to determine if it demonstrates that the medicine is safe and effective enough to be approved. Following its review, the FDA can either 1) approve the medicine, 2) send the company an "approvable" letter requesting more information or studies before approval can be given, or 3) deny approval.

Because no drug has zero risk, the FDA must determine whether the benefits of the drug outweigh the risks, i.e., is the drug effective for its proposed use, and has an acceptable balance between benefits and risks been achieved?

After Phase 3 clinical trials prove successful, the company can apply to the FDA for marketing authorization, which means the company can sell the product to the medical industry. However, it is most common and likely that the company will partner with an established pharmaceutical company to carry out the sale and distribution of the product.

Marketing Plans and Strategies

WPD plans to improve awareness of its brand and development within the industry by taking part in events (for example the SNO-SCIDOT in the United States and the Ninth Central European Life Science Investment Conference in Poland), industry groups and publications in peer-reviewed journals. Industry groups and events will also be an ideal venue for WPD to expand its network and establish relationships that are mutually beneficial.

The budget for market awareness will depend on WPD's success, not only in the laboratory but also in raising funding for its further development and potential partnerships with major pharmaceutical companies, should that occur.

Competitive Conditions

Current therapies for GBM are not sufficient and there are many products in development, but the 2011BIO /BioMedTracker Clinical Trial Success Rates Study provided the following probabilities for all drugs (we are not aware of studies to show these numbers specifically on drugs WPD is developing):

- probability of moving from Phase 1 to Phase 2 – 63%;
- probability of moving from Phase 2 to Phase 3 – 33%;
- probability of moving from Phase 3 to new drug application – 55%; and
- probability of new drug application being approved and going to market – 80%.

Because of a large unmet need of patients who suffer from GBM, WPD is hopeful to be able to progress to the next level and beyond.

Other competitiors in the oncology and/or immunotherapies space are as follows:

Medicenna Therapeutics Corp. ("**Medicenna**")

Medicenna is a clinical stage immunooncology company advancing novel, highly selective version of IL-2, IL-4 and IL-13 "Superkines" and first in class "Empowered Cytokines". Medicenna is working toward "Superkines" that can be fused with pro-apoptotic proteins to precisely deliver potent cell-killing agents to cancer cells, the immunosuppressive tumor micro-environment and cancer stem cells without harming healthy cells. Unlike WPD,

Medicenna does not hold the rights for small molecules as licensed from Moleculin and CNS Pharmaceuticals, Inc. which puts it at a disadvantage when focusing on the development IL4-IL13 “Superkines”.

Midatech Pharma PLC (“**Midatech**”)

Midatech develops franchises in oncology and immunotherapy, based on their state-of-the-art drug delivery technologies to generate improved and new medicines for rare and serious cancers. The technologies are designed to enable the targeted delivery, sustained release, or solubilized local delivery of existing therapeutic drugs including The Q-Sphera™ system. This system is a sustained release technology platform which utilizes precisely and consistently manufactured monodispersed micro particles such that active drug compounds are released into the body in a tightly controlled manner over an extended period of time (e.g., weeks to months).

StemGen S.p.A. (“**StemGen**”)

Stemgen is focused on GBM treatment and is developing 3 drug-candidates (recombinant proteins), with one of them in phase I clinical trials including hrBMP4 – specific receptor present in GBM cells; Ephrin A1- also specific for GBM cells; in preclinical development and LIF also in preclinical development.

Istari Oncology Inc. (“**Istari Oncology**”)

Istari Oncology is developing novel immunotherapies for cancer treatment based on two platforms that are in clinical development, Polio Virus Sabin-Rhinovirus Poliovirus ("**PVSRIPO**") and Antibody-Directed Immuno-Conjugates (“**ADC**”) ADC consists of anti-tumor agents that combine tumor-selective monoclonal antibodies, or fragments thereof, linked to protein molecules for selectively delivering potent toxins to tumor cells. Istari Oncology’s platforms include D2C7-IT, which is a single-chain fragment variable (scFv) monoclonal antibody (Mab) fragment immunotoxin with high binding affinity for both EGFRwt- and EGFRvIII-expressing GBM cells. Istari Oncology is currently in Phase I clinical trial for its proprietary immunotherapies.

Stemline Therapeutics Inc. (“**Stemline**”)

Stemline develops new drug-candidates in a GBM model, as well as cytotoxin conjugates in CTCL amd AML models, including Tagraxofusp (branded Elzonristm), a cytotoxin targeting IL-3R, conjugated to truncated Diphteria toxin. FDA approval was received for Elzonristm for the treatment of adult and pediatric patients, 2 years and older, with blastic plasmacytoid dendritic cell neoplasm (BPDCN). Stemline is also involved with SL-701-, an off-the-shelf, systemically delivered (subcutaneous) immunotherapy designed to target IL-13Rα2, EphA2; and Survivin, which overexpressed on (GBM) and SL-801 - oral, small-molecule reversible inhibitor of exportin-1 (XPO1), a key nuclear transport protein.

Currently, WPD and its competitors are in the development stage. WPD will re-evaluate their competitive position should competitor drug pipelines approach commercialization.

Proprietary Protection

Current patents are protected as per the respective agreements with WPD’s licensors. All employees and subcontractors of WPD are required to sign non-disclosure agreements before commencing work or providing services. WPD is also currently preparing its publication policy to allow seamless publications without disclosing valuable information. WPD’s own patent applications are currently discussed within WPD and patent applications will be submitted with the support of external patent attorneys.

The patents we have licensed are filed with the European Patent Office and the U.S. Patent Office by their inventors and the details of the patents are confidential information.

Future Funding

WPD expects to receive additional non-dilutive funding from scientific research grants that are in various stages of submission and approvals. Additionally, the Company will begin a road show in early 2020 and expects to raise $2-4 million in equity-based funding.

Doing Business in Poland

WPD is incorporated pursuant to the laws of Poland and is subject to the corporate laws of Poland. WPD's operations are in Poland and are international in various countries, with licenses and collaborations in Europe and the United States and aims to expand to other countries, so must maintain the highest international standards in all its operations. While WPD operates in multiple jurisdictions, including through its partnerships in North America, WPD also maintains certain operations in Poland and is subject to the legal framework pertaining to the pharmaceutical industry in Poland. All major developments, including management of capital expenditure and other significant decisions, will be approved by the Board before being acted upon by the Company's team in Poland.

The Company's primary language of operation is English. The Company acknowledges that all material agreements and documents that the Company is required to file with the CSE will be filed as English documents. Certain forms, applications and banking documents in Poland are prepared in both Polish and English. The Company will ensure that key documentation that is initially prepared solely in Polish will be translated into English in due course. Mr. Olejniczak, the CEO of the Company, is fluent in Polish and will be able to review the records and any Polish agreements.

Poland is a full member of the European Union which has exacting requirements to Western European standards for its member states with respect to medical research and development, the business and operating environment, risk management and corporate structure. WPD has a Canadian resident CFO, who is fully qualified as a CPA, and has Canadian public company auditors, who will set the standards for procedure and disclosure regarding internal controls and related party transactions. WPD will use English as the working language for all cross border operations, contracts, negotiations and disclosure. WPD has a majority of Canadian and U.S. directors who will oversee the external auditor and among them have substantial public company experience.

Regulatory and Legal Regime

Poland's laws relevant to the scientific research industry are based on, similar to and compatible with the laws of the European Union. Accordingly, WPD is subject to virtually the same laws as any European company regarding scientific research, medical drug therapy, grants and other associated matters. While there are some slight differences from Canadian or U.S. laws on those subjects, the European laws are closely aligned with all those of western democracies.

To the knowledge of the management of Westcot and WPD, no restrictions or conditions have been imposed by the foreign government and regulatory authorities on the ability of Westcot, indirectly through its subsidiary, WPD, to operate in Poland. Foreign investment is restricted in certain industries and certain countries, none of which WPD operates in or proposes to operate in.

The Board is generally responsible for the Company's relationship with the foreign government and regulatory authorities. This liaison role has currently been delegated to the CEO of the Company, Mariusz Olejniczak. Legal support is provided by the Company's legal advisors located in the U.S., Canada and Poland.

The Polish company law system is derived from the European civil law system. As a member of the European Union, the court system in Poland is well developed, as are the body of laws applicable. Westcot is able to own WPD and neither Westcot nor WPD foresees any negative impact on the Company with regards to Polish regulations. Poland

welcomes foreign investment and the Polish government has created resources for foreigners to understand the similarity of investments in Poland to those in other western countries (see: https://www.paih.gov.pl/polish_law).

Polish corporate governance rules require for companies to have: (i) a board of directors responsible for the day-to-day management of the company; and (ii) a board of commissioners who supervise the governance of the company and the policies of the directors in the interests of the company. Generally, new direct foreign investment in Poland is conducted either by acquiring an existing company or by establishing a new PMA company (a foreign investment company). Importantly for the Company, Polish law has well established intellectual property rights (for example, see: https://www.paih.gov.pl/polish_law/intellectual_property_rights).

The Company has local counsel in Poland to provide legal consulting services, to perform due diligence as needed, and to provide full legal verification of WPD and WPD's status and property rights. In addition to legal advisors, the Board has engaged professional advisors with expertise in financial, accounting and technical matters in order to provide assistance in the political, legal and cultural realities of Poland. The Board will continue to have access to such professional advisors and may seek additional advisors in any new jurisdiction in which the Company may determine to operate in the future.

The Company does not expect any major differences in dealing with banks in Poland from the services that most Canadian banks provide. Export.gov, a U.S. federal agency helping U.S. businesses export to various countries, says about the Polish banking system: "Poland has a sound, non-discriminatory financial services infrastructure… Poland's universal banking system provides deposits, loans, and securities trading services… All major Polish banks offer online services, from balance-cheque functions to cash transfers and deposits… The Financial Supervision Commission (KNF) oversees banks as well as other financial market entities."

It is anticipated that the Company's Canadian board members and management will visit the Company's operations in Poland as needed.

Audit Matters

WPD's auditors are currently Davidson & Company LLP, Chartered Professional Accountants ("Davidson"). Davidson is a member of Nexia International, a leading worldwide network of independent accounting and consulting firms providing a comprehensive portfolio of assurance, tax and advisory services. Davidson's membership in Nexia International has been strategically established to serve international requirements of Davidson's clients. Nexia International has multiple member firms in the Warsaw and Krakow regions of Poland, including multiple prominent Polish audit firms.

To the knowledge of WPD, Davidson is well equipped to operate globally. Davidson also has access to multiple Polish firms, as referred to in the response above regarding Davidson's membership in Nexia International.

Risk Management

The Board has direct access to management of the Company. Going forward, the Board intends to review and update its risk identification and management strategy on an as-needed basis. The Board routinely asks probing questions and seeks confirmations that decisions made by management are consistent with Board-approved strategies and the Company's overall risk appetite. The Board obtains and will continue to obtain confirmation from management that risk exposures are in compliance with established limits. The Board will take appropriate steps to stay informed of key developments, including any aspects of the legal, political and regulatory climate of Poland which could increase the Company's risk exposure in the emerging market. The Board will ensure that all members have a clear understanding of the internal controls and processes in place to respond to risk. The Board will review carefully how disruptions to business operations related to operation in an emerging market are dealt with by management.

The Board will have direct access to management of WPD, as the CEO of the Company will continue to act as management of WPD. Going forward, the Board intends to review and update its risk identification and management

strategy on an as-needed basis. The Board will obtain confirmation from management that risk exposures are in compliance with established limits.

The Board also expects to schedule a board meeting in Poland following the Company's listing on the CSE, including meetings with local staff and management and a review of WPD's proposed operations. The Board and management of the Company also expect to establish a whistleblowing policy in the near future.

As indicated above, the Board also has direct access to legal counsel in Poland. The Board intends to communicate with its legal counsel in Poland regularly to stay abreast of developments that could impact the Company's risk exposure. The Board will actively communicate with its legal counsel in Poland regularly to monitor the political and the legal environment in which WPD operates.

WPD's auditors are also a resource to assist with risk management as it pertains to operation in the emerging market of Poland. Davidson has audited WPD's Polish operations and issued an audit report. WPD expects to work with Davidson to ensure that they continue to have sufficient internal controls in order to comply with Canadian regulatory requirements. As Davidson has significant experience with auditing Canadian public companies, the Company understands that Davidson will not issue an audit report regarding WPD's operations unless they can rely on the Company's internal controls.

If required, the audit committee will be able to access the component audit team through Davidson.

Enforcement of Legal Rights

An investor will have the right to pursue the Company, as the parent company of WPD, which will continue to be a Canadian company. If an investor receives a judgment in Canada against the Company's Polish subsidiary, WPD, such judgment will generally be no more stringent than judgments enforced jurisdictions foreign to Canada, such as the United States. In Poland, judgments of foreign courts issued in civil matters are generally recognized automatically with the force of law. Under the Civil Procedure Code, foreign court judgments in civil matters that are carried out through enforcement proceedings are considered to be enforcement titles and will be enforceable in Poland, if the judgment is enforceable in the country in which it was initially issued.

Funds Available to the Company and Use of Funds

Available Funds

As of the most recent month end prior to the date of this Listing Statement, being November 30, 2019, the Company had working capital of approximately $392,423.44 and as of December 18, 2019, the date of conversion of the Subscription Receipts, the Company had working capital of approximately $3,100,000. The costs of the Company to complete the Acquisition were approximately $160,000. Based on these amounts, the Company currently has approximately $2,940,000 in available funds after giving effect to the Acquisition.

A pro forma balance sheet of the Company, giving effect to the Acquisition, is included as Schedule "E" hereto.

Principal Purpose of Funds

The Company will spend the funds available to it to further the Company's stated business objectives. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

The Company, in order to achieve its stated business objectives, may require additional capital which may come from a combination of potential cash flow, equity financing and/or debt financing. There is no assurance that additional capital will be available to the Company to complete its stated business objectives or that the terms of such capital will be favourable. Failure to obtain additional capital could result in the delay or indefinite postponement of the Company's business plans. See "*Risk Factors*".

The following table sets out the principal purposes, using approximate amounts, for which the Company currently intends to use the total available funds after giving effect to Acquisition and for the 12 months thereafter:

Item	Budgeted Expenditures
Drug development (WPD101)[(1)]	$715,000
Drug development (Berubicin)[(2)]	$920,000
Drug development (Additional Start-up Projects)[(3)]	$55,000
General and administrative expenses for the 12-month period following Closing[(4)]	$500,000
Media, public and investor relations	$250,000
Unallocated working capital to fund business operations	$500,000
Total	**$2,940,000**

(1) Comprised of $375,000 allocated towards manufacturing, formulations and stability testing, $195,000 allocated towards pre-clinical costs and $145,000 allocated towards clinical trials.
(2) Comprised of $350,000 allocated towards manufacturing, formulations and stability testing, $170,000 allocated towards pre-clinical costs and $400,000 allocated towards clinical trials.
(3) Allocated towards the development of products other than WPD101 and Berubicin, as disclosed herein.
(4) Please refer to the table below for a breakdown of general and administrative expenses.

The following table sets out the approximate breakdown of funds to be allocated towards general and administrative expenses for the 12-month period following Closing:

Item	Budgeted Expenditures
Payment of salaries	$330,000
Transfer agent and filing fees	$20,000
Audit fees	$25,000
Legal fees	$46,000
Office expenses	$28,000
Travel expenses	$24,000
Annual General Meeting expenses	$15,000
Miscellaneous expenses	$12,000
Total General and Administrative Expenses for the 12-month Period Following Closing	**$500,000**

Based on current projections, the Company's working capital available for funding ongoing operations is expected to meet its expenses for a minimum period of 12 months commencing immediately after the completion of the Acquisition. Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. For these reasons, management of the Company considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See "*Forward-Looking Statements*".

5. Selected Consolidated Financial Information

The Company

Pro-Forma Financial Information

The following table sets out certain selected consolidated pro-forma financial information of the Company as at September 30, 2019:

	As at September 30, 2019 (CDN$)
Financial Position	
Current Assets	2,960,902
Total Assets	3,367,158
Total Liabilities	1,782,013
Shareholder's Equity	1,585,145

Westcot

Annual Information

The following table sets out certain selected consolidated financial information of Westcot for the financial years ended January 31, 2019 and 2018:

	As at and for the period ended January 31, 2019 (CDN$)	As at and for the year ended January 31, 2018 (CDN$)
Statement of Loss		
Revenue	Nil	Nil
Expenses	808,038	422,870
Other Items	28,602	(513)
Net Income / Losses	**(779,436)**	**(423,383)**
Financial Position		
Current Assets	3,931,747	408,115
Total Assets	3,931,747	408,115
Total Liabilities	2,957,829	96,913
Shareholder's Equity (Deficit)	973,918	311,202

Quarterly Information

The following table sets out certain selected consolidated financial information of Westcot for the interim period ended October 31, 2019 as follows:

	As at and for the 9-month period ended October 31, 2019 (CDN$)
Statement of Loss	
Revenue	Nil
Expenses	552,429
Other Items	38,813
Net Losses	**(513,616)**
Financial Position	
Current Assets	3,303,763
Total Assets	3,303,763
Total Liabilities	2,843,461
Shareholder's Equity	460,302

WPD

The following table sets out certain selected consolidated financial information of WPD for the periods indicated.

	As at and for the 9-month period ended September 30, 2019 (CDN$)	As at and for the year ended December 31, 2018 (CDN$)	As at and for the year ended December 31, 2017 (CDN$)
Total revenues	Nil	Nil	Nil
Income from continuing operations	Nil	Nil	Nil
Net income (loss)	(1,187,008)	(938,047)	(105,974)
Total assets	416,590	276,030	10,399
Total long term financial liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil

Dividends

The Company has not paid any dividends on its outstanding shares, nor is there any intention of paying dividends in the foreseeable future. Any decision to pay dividends on the Company Shares will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions.

6. Management's Discussion and Analysis

Management's Discussion and Analysis of Westcot in respect of the period ended October 31, 2019 and in respect of the financial year ended January 31, 2019 are attached as Schedule "B" hereto and available on SEDAR, and should be read in conjunction with the Company's financial statements and notes thereto for the period ended October 31, 2019 and the year ended January 31, 2019, respectively, each of which are attached hereto as Schedule "A" and are also available on SEDAR at www.sedar.com.

Management's Discussion and Analysis of WPD in respect of its financial year ended December 31, 2018 and in respect of the period ended September 30, 2019 are attached as Schedule "D" hereto, and should be read in conjunction with WPD's financial statements and notes thereto for the year ended December 31, 2018 and for the period ended September 30, 2019, respectively, each of which are attached hereto as Schedule "C".

7. Market for Securities

The Company Shares are currently not listed on a stock exchange. Prior to the Delisting, the Westcot Shares were listed for trading on the NEX board of the TSXV with the trading symbol "WET.H". This Listing Statement has been prepared in accordance with the Company's application to list the Company Shares on the CSE.

8. Consolidated Capitalization

Pro Forma Consolidated Capitalization

The following table sets forth the capitalization of the Company after giving effect to the Acquisition based on the pro forma financial statements of the Company attached as Schedule "E" hereto:

Designation of Security	Amount Authorized	Amount Outstanding After Giving Effect to the Acquisition
Common Shares of Company	Unlimited	111,520,388
Options of Company	10% of Common Shares[(1)]	Nil[(2)]
Warrants of Company	N/A	3,949,997

(1) The number of stock options that the Company may grant will be limited by the terms of the Stock Option Plan and policies of the CSE.

(2) The Company does not intend to grant any options upon completion of the Acquisition.

Fully Diluted Share Capital

The following table states the fully diluted share capital of the Company after giving effect to the Acquisition:

Description of Security	Number of Securities	% of Total
Company Shares held by Westcot Shareholders	32,120,392	27.82%
Company Shares issued to WPD Securityholders pursuant to the Acquisition	67,000,000	58.02%
Company Shares issued as finders' fee in connection with the Acquisition	4,500,000	3.90%
Company Shares issued upon conversion of the Subscription Receipts	7,899,996	6.84%

Description of Security	Number of Securities	% of Total
Company Shares reserved for issuance on exercise of common share purchase warrants granted on the Closing Date	3,949,997	3.42%
Company Shares reserved for issuance on exercise of options	Nil	N/A
Total outstanding Company Shares after the Acquisition	111,520,388	96.58%
Total outstanding securities of the Company after the Acquisition (on a fully diluted basis)	115,470,385	100%

9. Options to Purchase Securities

As at the date of this Listing Statement, the Company does not have any outstanding stock options.

10. Description of the Securities

Shares

The authorized capital of the Company consists of an unlimited number of Company Shares without par value. As at the date of this Listing Statement, there are 111,520,388 Company Shares outstanding.

The holders of the Company Shares are entitled to one vote per Company Share at meetings of the shareholders of the Company, to receive dividends if, as, and when declared by the Board. Holders of the Company Shares participate equally in any distribution of the assets of the Company upon its liquidation, dissolution, or winding-up. The Company Shares carry no pre-emptive rights, conversion or exchange rights, redemption, retraction, re-purchase, sinking fund, or purchase fund provisions. There are no provisions requiring a holder of the Company Shares to contribute additional capital, and no material restrictions on the issuance of additional securities by the Company.

The Company has not declared or paid any dividends on the Company Shares and Westcot did not declare or pay any dividends since its incorporation and prior to completion of the Acquisition.

Stock Options

As at the date of this Listing Statement, there are no stock options outstanding to acquire Company Shares.

Warrants

As at the date of this Listing Statement, there are 3,949,997 common share purchase warrants outstanding to acquire Company Shares. The characteristics of such common share purchase warrants are described under the heading "*General Development of the Business – The Acquisition – Subscription Receipts*", defined therein as the Subscription Warrants.

Prior Sales

Other than the issuance of the Consideration Shares and the conversion of the Subscription Receipts into Subscription Units, each as described under the heading "*General Development of the Business – The Acquisition*", the Company did not issue any securities within the 12 months prior to the date of this Listing Statement.

Within the 12 months prior to the date of this Listing Statement and not including the securities issued pursuant to the Aquisition, WPD has issued the following securities:

Date	Type of Transaction	Class of Securities	Number of Securities	Price Per Security	Gross Proceeds
February 5, 2019	Private Placement	Convertible Notes	201[(1)]	US$746.27	US$150,000
March 18, 2019	Remuneration for Services	WPD Rights	7[(2)]	N/A	N/A
April 11, 2019	Shares for Debt	Common Shares	12,818[(3)]	50zł	N/A
May 2, 2019	Private Placement	Convertible Notes	142[(1)]	CDN$1,000	CDN$142,500
July 30, 2019	Consideration for Licensing Rights	WPD Rights	536[(2)]	US$21.03	N/A

(1) Indicates number of WPD Shares issuable upon conversion of the convertible notes.
(2) Indicates number of WPD Shares issuable pursuant to the WPD Rights.
(3) These WPD Shares were issued pursuant to debt deduction agreements made between WPD and each of Jason Sundar, Waldemar Priebe, EKA-TW Holdings LLC and ALS Investments LLC (the "**Deduction Creditors**") dated April 11, 2019 whereby the Deduction Creditors agreed to receive WPD Shares in exchange for the deduction of amounts owed by WPD to them.

Stock Exchange Price

Prior to the Delisting, the Westcot Shares were listed for trading on the "NEX" board of the TSXV with the trading symbol "WET.H". The following table shows the high and low trading prices and total trading volume of the Westcot Shares on the TSXV on a monthly basis for the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters. All prices and volume are adjusted to give effect to the forward share split completed by Westcot on July 10, 2018.

Month	High	Low	Total Volume
Month ended November 30, 2019	N/A[(1)]	N/A[(1)]	N/A[(1)]
Month ended October 31, 2019	N/A[(1)]	N/A[(1)]	N/A[(1)]
Month ended September 30, 2019	N/A[(1)]	N/A[(1)]	N/A[(1)]
Month ended August 31, 2019	N/A[(1)]	N/A[(1)]	N/A[(1)]
Quarter ended July 31, 2019	N/A[(1)]	N/A[(1)]	N/A[(1)]
Quarter ended April 30, 2019	N/A[(1)]	N/A[(1)]	N/A[(1)]
Quarter ended January 31, 2019	N/A[(1)]	N/A[(1)]	N/A[(1)]
Quarter ended October 31, 2018	N/A[(1)]	N/A[(1)]	N/A[(1)]
Quarter ended July 31, 2018	$0.23	$0.15	189,300
Quarter ended April 30, 2018	$0.33	$0.21	282,000
Quarter ended January 31, 2018	$0.36	$0.09	1,398,693
Quarter ended October 31, 2017	$0.10	$0.01	305,700

(1) Since June 7, 2018, the Westcot Shares have been halted pending receipt and review of acceptable documentation regarding the Company's proposed Change of Business transaction.

The last closing price of the Westcot Shares on June 6, 2018, being the last day Westcot Shares traded prior to the announcement of the proposed Change of Business transaction and the Forward Split, was $0.69. Upon giving effect to the Forward Split, such closing price was $0.345.

11. Escrowed Securities

Escrow Agreement No. 1

Subject to the terms and conditions of the Share Exchange Agreement, certain persons, including certain Related Persons (as such term is defined in the CSE Policy 1) of the Company (collectively, the "**WPD Insiders**") entered into an escrow agreement with Computershare, as Escrow Agent, dated December 20, 2019 ("**Escrow Agreement No. 1**") pursuant to which a total of 39,306,328 Company Shares, have been made subject to escrow restrictions over a 36-month period.

Upon receipt of CSE approval, the WPD Insiders have entered into Escrow Agreement No. 1 instead of the form of escrow agreement prescribed by Form 46-201F1 – *Escrow Agreement* ("**46-201F1**"), as the release conditions imposed by Escrow Agreement No. 1 contain release restrictions in addition to the requirements of 46-201F1.

The following table lists, to the knowledge of the Company and WPD as of the date of this Listing Statement, the holders of escrowed securities, the number of securities held in escrow, and the percentage of securities held in escrow by each person pursuant to the terms of Escrow Agreement No. 1:

Name of Security Holder	Number of Company Shares held in Escrow	% of Class (non-diluted)
Waldemar Priebe	24,043,467	21.56%
Peter Novak	453,778	0.41%
Mariusz Olejniczak	677,281	0.61%
Christopher Cherry	23,705	0.02%
Plus Holdings LLC(1)	338,640	0.30%
Wake Forest University(2)	4,020,000	3.60%
EKA-TW Holdings, LLC(3)	7,257,064	6.51%
Exploration Invest Pte. Ltd.	1,815,112	1.63%
Rednaw Management	677,281	0.61%
Total	**39,306,328**	**35.25%**

(1) Waldemar Priebe owns 60% and Kevan Casey owns 40% of the voting securities of Plus Holdings LLC.
(2) Wake Forest University is a public university.
(3) Waldemar Priebe's children own 100% of the voting securities of EKA-TW Holdings LLC, but Waldemar Priebe has the right to vote the shares.

Subject to the terms and conditions of Escrow Agreement No. 1, the WPD Insiders are subject to the following escrow restrictions over a 36-month period:

(a) 10% of such Company Shares will be released at each of the 12, 18 and 24 month anniversaries of the date of issuance of such Company Shares;

(b) 25% of such Company Shares will be released at the 30 month anniversary of the date of issuance of such Company Shares; and

(c) the remaining 45% of such Company Shares will be released on the date that is the 36 month anniversary of the date of issuance of such Company Shares.

Escrow Agreement No. 2

Subject to the terms and conditions of the Share Exchange Agreement, the persons disclosed below entered into an escrow agreement with Computershare, as Escrow Agent, dated December 20, 2019 ("**Escrow Agreement No. 2**") pursuant to which a total of 25,462,032 Company Shares, have been made subject to escrow restrictions over a 36-month period:

(a) 10% percent of such Company Shares will be released from such contractual resale restrictions at the 6 month anniversary of the Closing Date

(b) 15% percent of such Company Shares will be released from such contractual resale restrictions at each of the 12, 18, 24 and 30 month anniversaries of the Closing Date; and

(c) the remaining 30% of such Company Shares will be released from such contractual resale restrictions on the date that is the 36 month anniversary of the Closing Date.

The following table lists, to the knowledge of the Company as of the date of this Listing Statement, the holders of escrowed securities, the number of securities held in escrow, and the percentage of securities held in escrow by each person pursuant to the terms of Escrow Agreement No. 2:

Name of Security Holder	Number of Company Shares held in Escrow	% of Class (non-diluted)
ALS Investments LLC	11,823,460	10.60%
Triple G Ventures LLC	13,638,572	12.23%
Total:	**25,462,032**	**22.83%**

Restricted Securities

Escrow Agreement No. 3

Subject to the terms and conditions of the Share Exchange Agreement, certain Westcot Shareholders and Computershare, as Escrow Agent, have entered into an escrow agreement December 20, 2019 ("**Escrow Agreement No. 3**") pursuant to which a total of 22,702,574 Company Shares, are subject to the following contractual resale restrictions over a 18 month period:

(d) 15% of such Company Shares will be released from such contractual resale restrictions at each of the 3, 6, 9, 12 and 15 month anniversaries of the Closing Date;

(e) the remaining 25% of such Company Shares will be released from such contractual resale restrictions on the date that is the 18 month anniversary of the Closing Date; and

(f) if the trading price of the Company Shares on the CSE, or such other stock exchange or quotation system on which such Company Shares are then listed or quoted, is equal to or greater than CDN$2.00 for a period of five (5) consecutive trading days, then the contractual resale restriction applicable to such Company Shares will be accelerated such that they are no longer subject to contractual resale restrictions and become free trading common shares of the Company.

12. Principal Shareholders

To the knowledge of the directors and senior officers of the Company, the following Persons beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the voting securities of the Company.

Name and Municipality of Residence	Number of Company Shares	Percentage of Company Shares Held
Waldemar Priebe *Houston, TX, USA*	31,639,170[(1)(2)]	28.37%
ALS Investments, LLC[(3)] *Austin, TX, USA*	11,823,460	10.60%
Triple G Ventures, LLC[(4)] *Houston, TX, USA*	13,638,572	12.23%

(1) Includes 338,640 Company Shares held by Plus Holdings LLC; Waldemar Priebe owns 60% and Kevan Casey owns 40% of the units of Plus Holdings LLC.
(2) Includes 7,257,063 Company Shares held by EKA-TW Holdings, LLC, a company controlled by Waldemar Priebe.
(3) Adrian James owns 100% of the voting securities of ALS Investments, LLC.
(4) Kevan Casey is the beneficial owner of 100% of the voting securities of Triple G Ventures, LLC.

13. Directors and Officers

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities that each director and officer of the Company beneficially owns, directly or indirectly, or exercises control over, as of the date of this Listing Statement:

Name, Municipality of Residence, Current Office(s)	Principal Occupation During Last Five Years	Prior Position with the Company or WPD and Term of Such Position	Number of Company Shares Held	Percentage of Class Held or Controlled
Mariusz Olejniczak *Gliwice, Poland* Chief Executive Officer	Chief Executive Officer of WPD	Chief Executive Officer of WPD	677,281	0.61%
Christopher Cherry *Vancouver, BC* Chief Financial Officer	Chief Financial Officer of WPD; Principal of Cherry Consulting Ltd.; Director and Chief Financial Officer of multiple public companies	Chief Financial Officer of WPD	23,705	0.02%
Liam Corcoran[(1)] *Vancouver, BC* Canadian Vice President of Legal, Corporate Secretary and Director	Chief Executive Officer of Westcot; Partner, Pythe Navis MDP; and Associate, Alexander Holburn Beaudin & Lang LLP	Chief Executive Officer of Westcot	Nil	Nil

Name, Municipality of Residence, Current Office(s)	Principal Occupation During Last Five Years	Prior Position with the Company or WPD and Term of Such Position	Number of Company Shares Held	Percentage of Class Held or Controlled
Teresa Rzepczyk(1) *Kelowna, BC* Director	Controller of First Merit Group; Former Chief Financial Officer and Director of Cannex Capital Holdings Inc. (formerly, Arco Resources Corp.)	Director of Westcot	Nil	Nil
Walter Klemp(1) *Houston, TX, USA* Director	Chief Executive Officer of Moleculin Biotech, Inc.; Executive Chairman of Soliton, Inc.	N/A	Nil	Nil
Peter Novak *Longmeadow, MA, USA* Director	General Agent, Insurance Agency associated with MassMutual	N/A	453,778	0.41%
Total			**1,154,764**	**1.04%**

(1) Member of the Audit Committee.

The term of office of each of the present directors expires at the Company's next annual general meeting. Each director elected or appointed will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or with the provisions of the BCBCA.

Audit Committee

The Company's audit committee (the "**Audit Committee**") is made up of Liam Corcoran, Walter Klemp and Teresa Rzepczyk, all of whom are considered financially literate and two of whom are independent. Liam Corcoran, as Canadian Vice President of Legal and Corporate Secretary of the Company, is not independent. Liam Corcoran is Chairman of the Audit Committee. There is no other committees of the Board at this time.

The Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Audit Committee will be to assist the Board in discharging the oversight of:

(a) the integrity of the Company's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
(b) the Company's compliance with legal and regulatory requirements;
(c) the Company's external auditors' qualifications and independence;
(d) the work and performance of the Company's financial management and its external auditors; and
(e) the Company's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Board.

It is anticipated that the Audit Committee will have access to all books, records, facilities and personnel and may request any information about the Company as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for

the Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Company is a "venture issuer", as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*. The Company is relying on the exemption contained in section 6.1 of National Instrument 52-110 – *Audit Committees*, which exempts the Resulting Issuer from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

Management

The following is a brief description of the key management of the Company.

Mariusz Olejniczak, age 45, Chief Executive Officer

Mr. Olejniczak has significant scientific and technical expertise. Mr. Olejniczak is an experienced clinical research professional with significant expertise in the oncology, infectious diseases and electronic health record. He has over 12 years of extensive experience in facilitating clinical research, project development and implementation. He has expertise in cooperation with pharma and biotech companies in Poland and aboard including strategic consulting. Mr. Olejniczak has also created two e-clinical start-ups.

He is a member of the board and supervisory board of several research and development companies. Mr. Olejniczak previously served as Director of Sales and Feasibility for Pratia Inc., as Director of Development at Bioscience SA and as a clinical development consultant to various other entities. He graduated from the University of Life Sciences in Poznań in 1998 with a Masters of Science in Biotechnology and is currently a PhD candidate at Kozminski University in Warsaw, Poland.

Mr. Olejniczak is appointed as Chief Executive Officer of the Company. Mr. Olejniczak intends to devote 90**%** of his working time to the affairs of the Company. Mr. Olejniczak is an employee of the Company. See "*Executive Compensation*". Mr. Olejniczak has not entered into any non-competition agreement with the Company.

Christopher Cherry, age 40, Chief Financial Officer

Mr. Cherry has over 19 years of corporate accounting and audit experience. Mr. Cherry obtained his Bachelor of Technology in Accounting from the British Columbia Institute of Technology in 2000. Mr. Cherry is a CPA, having obtained the Chartered Accountant designation in February 2009 and the Certified General Accountant designation in 2004. In his former experience as an auditor, he held positions with KPMG and Davidson and Company LLP in Vancouver. Mr. Cherry has acted as Chief Financial Officer and Director of multiple public companies, including companies listed on the TSXV and the CSE. See "*Directors and Officers – Other Reporting Issuer Experience*".

Mr. Cherry is appointed as Chief Financial Officer of the Company. Mr. Cherry intends to devote 40% of his working time to the affairs of the Company. Mr. Cherry is CFO through a consulting agreement with the Company. See "*Executive Compensation*". Mr. Cherry has not entered into any non-competition agreement with the Company.

Liam Corcoran, age 33, Canadian Vice President of Legal, Corporate Secretary and Director

Mr. Corcoran has extensive legal and business experience and is currently a partner of a multi-disciplinary legal practice with an emphasis on property insurance and related litigation. Mr. Corcoran was formerly an associate at a large Vancouver based law firm. He obtained his Juris Doctor from Thompson Rivers University Law School in 2014 and holds an undergraduate degree from McGill University.

Mr. Corcoran is appointed as Canadian Vice President of Legal, Corporate Secretary and Director of the Company. He is the Chairman of the Audit Committee. Mr. Corcoran intends to devote 20% of his working time to the affairs of the Company. Mr. Corcoran is not an employee of the Company. See "*Executive Compensation*". Mr. Corcoran has not entered into any non-competition agreement with the Company.

Teresa Rzepczyk, age 44, Director

Ms. Rzepczyk has over 15 years of experience working with junior resources companies, with a particular focus on accounting and finance. Ms. Rzepczyk has an extensive background in organizing and managing public companies, including the going public process. Ms. Rzepczyk has experience as Controller of First Merit Group and is the former Chief Financial Officer and a former Director of Cannex Capital Holdings Inc. (formerly, Arco Resources Corp.).

Ms. Rzepczyk is also fluent in Polish, which will assist the Company in its integration of WPD's business.

Ms. Rzepczyk is appointed as Director of the Company. She is a member of the Audit Committee. Ms. Rzepczyk intends to devote 20% of her working time to the affairs of the Company. Ms. Rzepczyk is not an employee of the Company. See "*Executive Compensation*". Ms. Rzepczyk has not entered into any non-competition agreement with the Company.

Walter Klemp, age 60, Director

Mr. Klemp has 34 years of experience in start-up and high-growth companies, the past 15 of which have been spent developing FDA-regulated dermatology therapy devices and topical compounds.

Mr. Klemp is the Founder of Moleculin Biotech, Inc. (Nasdaq: MBRX) since 2007 and has also served as its CEO. Mr. Klemp has also served as President and CEO of Zeno Corporation from 2004 to 2010, where he successfully developed and marketed a number of dermatology devices and drugs from concept through FDA approval. Mr. Klemp is also a Founder and Executive Chairman of Soliton, Inc. (Nasdaq: SOLY), a medical device company founded in 2012.

Previously, Mr. Klemp served as CEO and Chairman of Drypers Corporation, a publicly traded multinational consumer products company which he founded, from 1987 to 2000. At Drypers, Mr. Klemp developed growth strategies, orchestrated mergers and acquisitions, and grew the company from start-up to $400 million in annualized sales and to a #1 ranking on the INC 500. Notably, he has overseen nearly $750 million in public and private financings throughout his career.

Mr. Klemp is appointed as Director of the Company. He is a member of the Audit Committee. Mr. Klemp intends to be available on an as needed basis, but will attend a minimum of 4 board meetings per year for the Company. Mr. Klemp is not an employee of the Company. Mr. Klemp has not entered into any non-competition agreement with the Company.

Peter Novak, age 62, Director

Mr. Novak is a 30-year veteran of the insurance and financial services industry. He is currently the General Agent of one of MassMutual's largest agencies with $4.8 billion in assets under management. He previously served as general agent to MassMutual's Rochester agency; co-general agent at The New England/Robinson Co. in Waterbury, Connecticut; and as an agent at the New York Life Insurance Company.

Mr. Novak is the co-founder of the Charter Oak Fund, Charter Oak's charitable arm, which supports numerous local philanthropic causes and organizations. He also serves as a board member of GAMA International and GAMA's Executive Leadership Cabinet; an executive board member of The Kosciuszko Foundation; a board member at Quinnipiac University; Chairman of the Board of Quinnipiac University's Central European Institute (CEI); and an adjunct member of the University of Warsaw Alumni Association.

Mr. Novak is appointed as Director of the Company. Mr. Novak intends to devote 5 to 10% of his working time to the affairs of the Company. Mr. Novak is not an employee of the Company. Mr. Novak has not entered into any non-competition agreement with the Company.

Promoter Consideration

The Company does not expect to have any promoters other than its directors and officers, nor has the Company had a promoter other than such persons within the two years immediately preceding the date of this Listing Statement.

Corporate Cease Trade Orders or Bankruptcies

Other than as outlined below, within ten years before the date of this Listing Statement, no proposed director, officer or promoter of the Company or any shareholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company has been a director, officer or promoter of any person or company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On March 24, 2017, the Court of Queen's Bench of Alberta granted an application of the Wellstar Energy Corp. ("**Wellstar**") lenders, to appoint Grant Thornton Limited (the "**Receiver**") as receiver and manager over the assets, undertakings and property of WellStar and its wholly owned subsidiary Nexxtep Resources Ltd ("**Nexxtep**"). The Receiver is charged with managing the day to day affairs of Wellstar and Nexxtep during the period of its appointment. Christopher Cherry was the CFO and a director of Wellstar, but resigned as CFO effective March 24, 2017 and as a director in May 2017. Mr. Cherry advises that he is not privy to any update on proceedings and that, to the best of his knowledge, Wellstar is still in the receivership with Grant Thornton subject to an asset sale of oil and gas assets.

Mr. Cherry was the CFO and a director of Wolfeye Resource Corp. ("**Wolfeye**"), now named LexaGene Holdings Inc. On August 7, 2013, the BCSC and the Alberta Securities Commission (together with the BCSC, the "**Commissions**") issued a cease trade order (the "**CTO**") against Wolfeye, its directors, officers and insiders for failure of Wolfeye to file its audited financial statements and management's discussion & analysis and related certifications for the year ended March 31, 2013 (collectively, the "**Financial Materials**"). On August 8, 2013, trading in Wolfeye's common shares was suspended by the TSXV for failure to file the Financial Materials. Wolfeye filed the Financial Materials with the Commissions and the CTO was lifted by the Commissions on September 26, 2013. Wolfeye applied to the TSXV to lift the trading suspension and, after satisfying all of the conditions of the TSXV, the suspension was lifted and trading in Wolfeye's common shares recommenced on October 30, 2013.

Mr. Cherry is currently the CFO of Mexivada Mining Corp. ("**Mexivada**"). On October 29, 2010, at the request of management of Mexivada, the BCSC issued a CTO against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2010 and the related management's discussion and analysis for the same period. The CTO was rescinded on November 30, 2010 and is no longer in effect. On October 31, 2011, at the request of management, the BCSC issued a CTO against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2011 and the related management's discussion and analysis for the same period. The CTO was rescinded on November 24, 2011 and is no longer in effect. On October 31, 2012, at the request of management, the BCSC issued a CTO against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2012 and the related management's discussion and analysis for the same period. The cease trade order is still in effect.

Mr. Cherry was a former director and officer of 1040426 BC Ltd., 1040433 BC Ltd., 1040440 BC Ltd., 1040442 BC Ltd. and Genix Pharmaceutical Corp., companies that are reporting issuers in the provinces of British Columbia and Alberta. On December 2, 2016, the BCSC issued a CTO against these companies, their directors, officers and insiders for failure to file audited financial statements and management's discussion & analysis and related certifications for the year ended July 31, 2016. The BCSC also issued deficiency notices to each of 1040440 BC Ltd. and Genix

Pharmaceutical Corp. for failure to file first quarter financial statements and management's discussion & analysis for the period ended October 31, 2016. On May 23, 2017, the BCSC issued revocation orders for each of 1040426 BC Ltd., 1040433 BC Ltd. and 1040442 BC Ltd. and the CTOs were lifted. The CTO remains in effect for 1040440 BC Ltd. and Genix Pharmaceutical Corp.

Mr. Cherry is currently the CFO of Block One Capital Inc. ("**Block One**"). On January 2, 2019, at the request of management of Block One, the BCSC issued a CTO against the insiders of Block One for not filing comparative financial statements for its financial year ended August 31, 2018 and the related management's discussion and analysis for the same period. The CTO was rescinded on January 31, 2019 and is no longer in effect.

Mr. Cherry is the CFO of NetCents Technology Inc. ("**NetCents**"). On March 1, 2019, at the request of management of NetCents, the BCSC issued a CTO against the insiders of NetCents for not filing comparative financial statements for its financial year ended October 31, 2018 and the related management's discussion and analysis for the same period. On March 29, 2019, the BCSC issued a revocation order for NetCents and the CTO was lifted.

Mr. Cherry is the CFO and a director for Corsurex Resource Corp. ("**Corsurex**"). On May 6, 2019, the BCSC issued a CTO against Corsurex, its directors, officers and insiders for failure to file audited financial statements and management's discussion & analysis and related certifications for the year ended December 31, 2018. On May 16, 2019, the BCSC issued a revocation order for Corsurex and the CTO was lifted.

Penalties or Sanctions

To the knowledge of the Company, no proposed director, officer, promoter or shareholder who will hold a sufficient number of securities of the Company to affect materially the control of the Company has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Acquisition.

Personal Bankruptcies

To the knowledge of the Company, there has been no current or proposed director, officer, promoter, or any shareholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such person, that has, within the ten years prior to the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

Directors and officers of the Company also serve as directors and/or officers of other companies and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's length negotiations, but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Company which arise under British Columbia corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Company. All conflicts of interest will be resolved in accordance with the BCBCA. Any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Company, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

For information concerning the director and officer positions held by the directors of the Company, please see "*Other Reporting Issuer Experience*" directly below.

Other Reporting Issuer Experience

The following table sets out the directors and officers of the Company who are, or have been within the last five years, directors, officers or promoters of other reporting issuers, other than the Company:

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Period
Walter Klemp	Soliton, Inc. *Delaware*	NASDAQ	Executive Chairman	January, 2012 to Present
	Moleculin Biotech, Inc. *Delaware*	NASDAQ	Executive Chairman	2007 to Present
Teresa Rzepczyk	Cannex Capital Holdings Ltd. (formerly Arco Resources Corp.) *British Columbia*	CSE (formerly, TSXV)	Chief Financial Officer Director	September, 2014 to March, 2018 August, 2016 to March, 2018
Christopher Cherry	BluKnight Aquafarms Inc. (formerly 1040426 BC Ltd.)	N/A	President, CEO, CFO, Director	October, 2015 – May, 2017
	eXeBlock Technology Corporation (formerly 1040433 BC Ltd.)	CSE	President, CEO, CFO, Director	October, 2015 – May, 2017
	1040436 BC Ltd.	N/A	CFO, Director	January, 2016 – May, 2017
	1040440 BC Ltd.	N/A	President, CEO, CFO, Director	October, 2015 – May, 2017
	Zenith Exploration Inc. (formerly 1040442 BC Ltd.)	CSE	President, CEO, CFO, Director	October, 2015 – May, 2017
	AgraFlora Organics International Inc. (formerly PUF Ventures Inc.)	CSE	CFO	January, 2016 – June, 2019
	Amador Gold Corp.	TSXV	Director	September, 2015 – January, 2018
	American Biofuels Inc.	NEX Board	Director	October 25, 2018 – Present
	Anquiro Ventures Ltd.	TSXV	Director	June, 2017 – Present
	Blind Creek Resources Ltd.	TSXV	CFO, Director	February, 2015 – January, 2018
	Block One Capital Inc. (formerly Essex Angel Capital Inc.)	TSXV	CFO, Director	April, 2016 – Present
	C21 Investments Inc. (formerly Curlew Lake Resources Inc.)	CSE, OTCBB	CFO, Director	July, 2013 – January, 2019 (Resigned as CFO in July, 2018)

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Period
	Columbus Energy Limited	TSXV	CFO	October, 2016 – Present
	Clydesdale Resources Inc.	NEX Board	Director	October, 2016 – Present
	Corsurex Resource Corp. (formerly Gold Port Resources Ltd.)	N/A	CFO Director	November, 2016 – Present November, 2016 - Present
	Doubleview Capital Corp.	TSXV	CFO	July, 2017 – Present
	Genix Pharmaceutical Corp.	TSXV	President, CEO, CFO, Director	October, 2015 – May, 2018
	Golden Cariboo Resources Ltd.	NEX Board	CFO, Director	February, 2015 – January, 2018
	Harvest Gold Corporation	TSXV	CFO, Director	October, 2014 – Present
	Klondike Silver Corp.	TSXV	Director	August, 2015 – January, 2018
	Mexivada Mining Corp.	TSXV; Frankfurt Stock Exchange; Pink Sheets	CFO	September, 2009 – Present
	NetCents Technology Inc.	CSE	CFO	October, 2018
	NRG Metals Inc.	TSXV; OTC	CFO Director	September, 2010 – April, 2013; and November, 2014 – Present March, 2015 – June, 2017; and December, 2017 – Present
	Orion Neutraceuticals Inc.	CSE	CFO	March, 2018 - Present
	Petrichor Energy Inc.	TSXV; OTC	Director	May, 2017 - Present
	Royal Gold Mining Inc. (formerly Shoshoni Gold Ltd.)	TSXV	CFO	July, 2016 – Present
	Starr Peak Exploration Ltd.	TSXV	CFO, Director	February, 2015 – January, 2018
	Subscribe Technologies Inc.	CSE; OTC; Frankfurt Stock Exchange	CFO	December, 2016 – Present

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Period
	Tabu Equity Investments Inc. (formerly TNX Maverick Resources Inc.)	N/A	CEO, CFO, Corporate Secretary, Director	January, 2015 – May, 2017
	WellStar Energy Corp.	TSXV; Frankfurt Stock Exchange	CFO, Director	February, 2015 – May, 2017
	LexaGene Holdings Inc. (formerly, Wolfeye Resource Corp.)	TSXV	CFO Director	August, 2010 – July, 2013 September, 2013 – November, 2014

14. Capitalization

Issued Capital

As of the date of the Listing Statement, the Company has the following capitalization structure:

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	111,520,388	115,470,385	100%	100%
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held) (B)	58,255,966	58,255,966	52.24%	50.45%
Total Public Float (A-B)	53,264,422	57,214,419	47.76%	49.55%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	89,052,385	89,052,385	79.85%	77.12%
Total Tradeable Float (A-C)	22,468,003	26,418,000	20.15%	22.88%

Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	4	4,000
2,000 – 2,999 securities	30	60,000
3,000 – 3,999 securities	3	10,114
4,000 – 4,999 securities	-	-
5,000 or more securities	43	44,309,956
TOTAL	**80**	**44,384,070**

Public Securityholders (Beneficial)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	2	52
100 – 499 securities	2	714
500 – 999 securities	-	-
1,000 – 1,999 securities	22	24,300
2,000 – 2,999 securities	67	135,136
3,000 – 3,999 securities	17	54,462
4,000 – 4,999 securities	8	33,000
5,000 or more securities	126	53,001,762
Unable to confirm	-	-
TOTAL	**244**	**53,249,426**

Non-Public Securityholders (Registered)

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	8	58,255,966
TOTAL	**8**	**58,255,966**

Based on the share range reports of the Company produced by Computershare and Broadridge, to the knowledge of the Company, there are approximately 240 public shareholders holding at least a board lot of 500 free-trading Company Shares. As such, the Company has more than the minimum number of shareholders with minimum board lots to satisfy the listing qualifications of the CSE.

Securities Convertible or Exchangeable into Any Class of Listed Securities

The following table sets out information regarding all securities convertible or exchangeable into any class of listed securities upon completion of the Acquisition.

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Warrants	3,949,997	3,949,997 Company Shares
Options	Nil	Nil

15. Executive Compensation

For the purposes of this section, Named Executive Officers ("**NEO**") are the Chief Executive Officer and Chief Financial Officer of the Company and the most highly compensated executive officer who is proposed to serve as an executive officer of the Company for the 12 month period following the completion of the Acquisition and whose total compensation, individually, is more than $150,000. Based on the above criteria, the only NEOs for the Company are expected to be Mariusz Olejniczak and Christopher Cherry for the 12 month period after giving effect to the Acquisition. There are no other expected NEOs of the Company other than the Chief Executive Officer and Chief Financial Officer, as no other executive officers will be paid compensation exceeding $150,000 for the 12 month period following the Acquisition. However, the Company will be searching for a Chief Medical Officer and it is possible that the annual compensation for the right recruit could be in the $150,000 range.

Compensation Discussion and Analysis

The Board will develop the appropriate compensation policies for both the officers and the directors of the Company. To determine appropriate compensation levels, the Board will review compensation paid for directors and officers of companies of similar size and stage of development in the hemp industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company.

When determining compensation policies and individual compensation levels for the Company's executive officers a variety of factors will be considered, including: the overall financial and operating performance of the Company, each executive officer's individual performance and contribution towards meeting corporate objectives, each executive officer's level of responsibility and length of service and industry comparables.

The general objectives of the Company's compensation strategy will be to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long term shareholder value; (b) align management's interests with the long term interests of shareholders; (c) provide a compensation package that is commensurate with other companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a start-up company without a history of earnings. Although the Company currently has no specific commitments to grant any stock options immediately upon completion of the Acquisition, stock option grants may be used shortly after Closing and in the future by the Company to align executive interests with those of shareholders and will be based on the executive's performance, level of responsibility, as well as the number and exercise price of options previously issued to the executive pursuant to such executive's overall aggregate total compensation package.

Director and NEO Compensation Excluding Compensation Securities

In the 12-month period after giving effect to the Acquisition, the Company anticipates compensating the NEOs and its other executive officers as follows. No specific compensation agreements are currently in place and the compensation amounts are subject to discussion with the board of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES						
Name and Position[(2)]	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee or Meeting Fees ($)**	**Value of Perquisites ($)**	**Value of all Other Compensation ($)**	**Total Compensation ($)**
Mariusz Olejniczak CEO	$120,000	$15,000	Nil	$15,000	Nil	$150,000[(1)]
Christopher Cherry CFO	$120,000	$15,000	Nil	$15,000	Nil	$150,000[(1)]

(1) These fees have not yet been finalized and must be approved by the Board after closing of the Acquisition.
(2) The Company will be searching for a Chief Medical Officer and it is possible that the annual compensation for the right recruit could be in the $150,000 range.

Directors who are not executive officers are expected to receive compensation in the 12-month period after giving effect to the Acquisition in an amount to be negotiated.

Stock Options and Other Compensation Securities

The Company will have a "rolling" stock option plan. Pursuant to the Stock Option Plan, the Company will be able to grant options up to a maximum of 10% of the Company's issued and outstanding share capital at the time of grant.

Employment, Consulting and Management Agreements

The Company expects to enter into employment agreements with its NEOs that are customary of issuers in a similar industry and a comparable size, including without limitation any terms providing for termination or change of control payments.

Pension Plan Benefits

The Company does not anticipate having a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Compensation of Directors

The Company is not expected to pay compensation by way of an annual fee or any other cash payment to any of its directors for services as a director. Directors will be eligible to receive stock option grants under the Stock Option Plan of the Company.

16. Indebtedness of Directors and Executive Officers

No director or officer of the Company, no proposed director or officer of the Company, no other individual who at any time during the most recently completed financial year of the Company was a director or officer the Company, and no associate of any such individual, is indebted to the Company or is indebted to another entity, which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

17. Risk Factors

The Company's securities should be considered highly speculative due to the nature of the Company's business. An investor should carefully consider the risk factors set out below. In addition, investors should carefully review and consider all other information contained in this Listing Statement (including all Schedules hereto) before making an investment decision. An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment.

An investment in the Company's securities should be considered highly speculative, not only due to the nature of the Company's business and operations, but also because of the uncertainty related to the recent integration of the business of WPD into the Company pursuant to the Acquisition. In addition to the other information in this Listing Statement (including all Schedules hereto), an investor should carefully consider each of, and the cumulative effect of, the following factors.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price movements of peer companies and competitors, announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks as well as overall market movements, may have a significant adverse impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of a particular company.

Limited Operating History

WPD was incorporated in August of 2017 and has yet to generate any revenue. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Speculative Nature of Investment Risk

An investment in the securities of the Company carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Liquidity and Future Financing Risk

The Company will likely operate at a loss until its business becomes established Parties and it may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. Moreover, future activities may require the Company to alter its capitalization significantly and, if additional financing is raised by issuance of additional shares of the Company from treasury, control may change and shareholders may suffer dilution. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company’s financial condition and results of operations.

Risks Related to the Company's Business and Operations

We are developing our drugs to treat patients who are extremely or terminally ill, and patient deaths that occur in our clinical trials could negatively impact our business even if such deaths are not shown to be related to our drugs.

It is our intention to continue to develop our drug candidates focused on rare and deadly forms of cancer. Patients suffering from these diseases are extremely sick and have a high likelihood of experiencing adverse outcomes, including death, as a result of their disease or due to other significant risks including relapse of their underlying malignancies. Many patients have already received high-dose chemotherapy, other experimental treatment and/or radiation therapy, which are associated with their own inherent risks, prior to treatment with our drugs.

As a result, it is likely that we will observe severe adverse outcomes during our clinical trials for our drugs, including patient death. If a significant number of study subject deaths were to occur, regardless of whether such deaths are attributable to one of our drugs, our ability to obtain regulatory approval and/or achieve commercial acceptance for the related drug may be adversely impacted and our business could be materially harmed. In addition, other setbacks may occur which would require us to conduct additional preclinical studies both *invitro* and *invivo* and/or additional clinical trials.

We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not so available, may require us to delay, limit, reduce or cease our operations.

We have used the proceeds from our previous equity offerings, and we intend to use the proceeds from any possible future offerings, to, among other uses, advance our drug portfolio through clinical development, advancing the remainder of the existing portfolio through preclinical studies and into IND's or their equivalent, and sponsoring research with our development partners. Developing pharmaceutical products, including conducting preclinical studies both *invitro* and *invivo* and clinical trials, is expensive. We will require substantial additional future capital in order to complete clinical development and commercialize our drug portfolio. If the U.S. Food and Drug

Administration (the "**FDA**") or its European equivalent, European Medicines Agency ("**EMA**") requires that we perform additional nonclinical studies or clinical trials, or if we determine, that additional clinical trials are required for our drug portfolio, our expenses would further increase beyond what we currently expect and the anticipated timing of any potential approval of our drug candidates or licensing out agreement would likely be delayed. Further, there can be no assurance that the costs we will need to incur to obtain regulatory approval of our drug portfolio will not increase.

We will continue to require substantial additional capital to continue our clinical development and commercialization activities. Because successful development of our product candidates is uncertain, we are unable to estimate the actual amount of funding we will require to complete research and development and commercialize our products under development.

The amount and timing of our future funding requirements will depend on many factors, including but not limited to:

- whether our updated plan for clinical trials will be completed on a timely basis and, if completed, whether we will be able to publicly announce results from our clinical trials in accordance with our announced milestones;
- whether we are successful in obtaining the benefits of EMA's and FDA's expedited development and review programs related to our drug candidates;
- whether we are successful in obtaining interest for possible co-development and licensing out partners;
- the progress, costs, results of and timing of our clinical trials and also of our preclinical studies;
- the outcome, costs and timing of seeking and obtaining EMA, FDA and any other regulatory approvals;
- the costs associated with securing and establishing commercialization and manufacturing capabilities;
- market acceptance of our product candidates;
- the costs of acquiring, licensing or investing in businesses, products, product candidates and technologies;
- our ability to maintain, expand and enforce the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defence and enforcement of any patents or other intellectual property rights;
- our need and ability to hire additional management and scientific and medical personnel;
- the effect of competing drug candidates and new product approvals;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems
- research grant terms that change over time or whose terms we are unable to meet;
- grants that we relied upon are not funded for any reason;
- our ability to attract and retain competent staff;
- unforeseen safety hazards associated with the drugs we develop; and
- the economic and other terms, timing of and success of our existing licensing arrangements and any collaboration, licensing or other arrangements into which we may enter in the future.

Some of these factors are outside of our control. We do not believe that our existing capital resources are sufficient to enable us to complete the development and commercialization of our drug candidates. Accordingly, we expect that we will need to raise additional funds in the future.

We may seek additional funding through a combination of equity offerings, debt financings, government or other third-party funding, commercialization, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. Additional funding may not be available to us on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of WPD Securityholders. In addition, the issuance of additional shares by us, or the possibility of such issuance, may cause the market price of our shares to decline.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail one or more of our research or development programs. We also could be required to seek funds through arrangements with collaborative partners or otherwise that may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavourable to us.

We have recently commenced drug development, have a limited operating history and we expect a number of factors to cause our operating results to fluctuate on an annual basis, which may make it difficult to predict our future performance.

We are a clinical stage pharmaceutical company with a limited operating history. Our operations to date have been limited to acquiring our technology portfolio, conducting in-house research, preparing several drugs for authorization to conduct clinical trials. We have only recently commenced drug development with some of our drug candidates and have yet to commence clinical trials for some drug candidates in our pipeline and have yet to receive regulatory approvals for any of our drug candidates. Additionally, we have a limited ability to manufacture drugs and the amount of drug required may depend upon patient response and the need for additional, unplanned treatments, making it difficult to predict the total amount of drug required.

Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a longer operating history or approved products on the market. Our operating results are expected to significantly fluctuate from quarter-to-quarter or year-to-year due to a variety of factors, many of which are beyond our control. Factors relating to our business that may contribute to these fluctuations include:

- any delays in regulatory review and approval of our product candidates in clinical development, including our ability to receive approval from the FDA or the Polish authorities for our drugs in clinical trials;
- delays in the commencement, enrolment and timing of preclinical and clinical trials;
- difficulties in identifying patients suffering from our target indications;
- the success of our clinical trials through all phases of clinical development;
- potential side effects of our product candidates that could delay or prevent approval or license-out agreements or cause an approved drug to be taken off the market;
- our ability to obtain additional funding to develop drug candidates;
- our ability to identify and develop additional drug candidates beyond our current drug portfolio;
- our ability to attract and retain talented and experienced people;
- competition from existing products or new products that continue to emerge;
- the ability of patients or healthcare providers to obtain coverage or sufficient reimbursement for our products;
- our ability to adhere to clinical trial requirements directly or with third parties such as contract research organizations;
- our dependency on third-party manufacturers to manufacture our products and key ingredients;
- our ability to establish or maintain collaborations, licensing or other arrangements;
- our ability to defend against any challenges to our intellectual property including, claims of patent infringement;
- our ability to enforce our intellectual property rights against potential competitors;
- our ability to secure additional intellectual property protection for our developing drug candidates and associated technologies;
- our ability to attract and retain key personnel to manage our business effectively;
- a biological or chemical effect that we do not predict; and
- potential product liability claims.

Accordingly, the results of any historical quarterly or annual periods should not be relied upon as indications of future operating performance.

We are preparing to conduct important clinical trials in Poland and abroad and studies for additional countries in which to perform preclinical studies and clinical trials and the risks associated with conducting research and clinical trials abroad could materially adversely affect our business.

Accordingly, we are subject to additional risks related to operating in countries outside of Canada and the United States, including:

- differing regulatory requirements in foreign countries;
- unexpected changes in price and exchange controls and other regulatory requirements;

- increased difficulties in managing the logistics and transportation of collecting and shipping patient material;
- import and export requirements and restrictions;
- compliance with tax, employment, immigration and labour laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- potential liability under the Corruption of Foreign Public Officials Act or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as Canada or the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with our international operations may materially adversely affect our ability to attain or maintain profitable operations.

We have never been profitable, we have no products approved for commercial sale, and to date we have not generated any revenue from product sales. As a result, our ability to reduce our losses and reach profitability is unproven, and we may never achieve or sustain profitability.

We have never been profitable and do not expect to be profitable in the foreseeable future. We have not yet submitted any drug candidates for approval by regulatory authorities in the EU, the United States or elsewhere. For the year ended December 31, 2018, WPD incurred a net loss of $938,047. WPD had an accumulated deficit of $1.0 million as of December 31, 2018.

To date, we have devoted most of our financial resources to research and development, including our drug discovery research, preclinical development activities and clinical trial preparation, as well as corporate overhead. We have not generated any revenues from product sales. We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we continue our development of, and seek regulatory approvals for our drug candidates, prepare for and begin the commercialization of any approved products, and add infrastructure and personnel to support our continuing product development efforts. We anticipate that any such losses could be significant for the next several years. If our drug candidates fail in clinical trials or do not gain regulatory approval, or if our drug candidates do not achieve market acceptance, we may never become profitable. As a result of the foregoing, we expect to continue to experience net losses and negative cash flows for the foreseeable future. These net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity and working capital.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. In addition, our expenses could increase if we are required by the FDA or its EU equivalent to perform studies or trials in addition to those currently expected, or if there are any delays in completing our clinical trials or the development of any of our drug candidates. The amount of future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenues.

Our financial condition would be adversely impacted if our intangible assets become impaired.

Intangibles are evaluated quarterly and are tested for impairment at least annually or when events or changes in circumstances indicate the carrying value of each segment, and collectively our company taken as a whole, might exceed its fair value.

If we determine that the value of our intangible assets is less than the amounts reflected on our balance sheet, we will be required to reflect an impairment of our intangible assets in the period in which such determination is made.

An impairment of our intangible assets would result in our recognizing an expense in the amount of the impairment in the relevant period, which would also result in the reduction of our intangible assets and a corresponding reduction in our stockholders' equity in the relevant period.

There are limited suppliers for active pharmaceutical ingredients ("API") used in in our drug candidates. Problems with the third parties that manufacture the API used in our drug candidates may delay our clinical trials or subject us to liability.

We do not currently own or operate manufacturing facilities for clinical or commercial production of the API used in any of our product candidates. We have no experience in API manufacturing, and we lack the resources and the capability to manufacture any of the APIs used in our product candidates, on either a clinical or commercial scale. As a result, we rely on third parties to supply the API used in each of our product candidates. We expect to continue to depend on third parties to supply the API for our current and future product candidates and to supply the API in commercial quantities. We are ultimately responsible for confirming that the APIs used in our product candidates are manufactured in accordance with applicable regulations.

Our third-party suppliers may not carry out their contractual obligations or meet our deadlines. In addition, the API they supply to us may not meet our specifications and quality policies and procedures or they may not be able to supply the API in commercial quantities. If we need to find alternative suppliers of the API used in any of our product candidates, we may not be able to contract for such supplies on acceptable terms, if at all. Any such failure to supply or delay caused by such contract manufacturers would have an adverse effect on our ability to continue clinical development of our product candidates or commercialization of our product candidates.

If our third-party drug suppliers fail to achieve and maintain high manufacturing standards in compliance with current good manufacturing practices regulations, we could be subject to certain product liability claims in the event such failure to comply resulted in defective products that caused injury or harm.

We cannot be certain that any of our drug candidates will receive regulatory approval, and without regulatory approval we will not be able to market such drugs.

Our business currently depends on the successful development and commercialization of our drug candidates. Our ability to generate revenue related to product sales, if ever, will depend on the successful development and regulatory approval of our drug candidates.

If we are unable to obtain approval from the FDA, or other regulatory agencies, for any of our product candidates, or if, subsequent to approval, we are unable to successfully commercialize our product candidates, we will not be able to generate sufficient revenue to become profitable or to continue our operations.

Any statements in this report indicating that any of our drug candidates have demonstrated preliminary evidence of efficacy are our own and are not based on the FDA's or any other comparable governmental agency's assessment and do not indicate that such drug candidate will achieve favourable efficacy results in any later stage trials or that the FDA or any comparable agency will ultimately determine that such drug candidate is effective for purposes of granting marketing approval.

Delays in the commencement, enrolment and completion of clinical trials could result in increased costs to us and delay or limit our ability to obtain regulatory approval for any of our product candidates.

Delays in the commencement, enrolment and completion of preclinical and clinical trials could increase our product development costs or limit the regulatory approval of our product candidates. We do not know whether any future trials or studies of our other product candidates will begin on time or will be completed on schedule, if at all. The start or end of a clinical study is often delayed or halted due to changing regulatory requirements, manufacturing challenges, including delays or shortages in available drug product, required clinical trial administrative actions, slower than anticipated patient enrolment, changing standards of care, availability or prevalence of use of a comparative drug or required prior therapy, clinical outcomes or financial constraints. For instance, delays or

difficulties in patient enrolment or difficulties in retaining trial participants can result in increased costs, longer development times or termination of a clinical trial. Clinical trials of a new product candidate require the enrolment of a sufficient number of patients, including patients who are suffering from the disease the product candidate is intended to treat and who meet other eligibility criteria. Rates of patient enrolment are affected by many factors, including the size of the patient population, the eligibility criteria for the clinical trial, that include the age and condition of the patients and the stage and severity of disease, the nature of the protocol, the proximity of patients to clinical sites and the availability of effective treatments and/or availability of investigational treatment options for the relevant disease.

A product candidate can unexpectedly fail at any stage of preclinical and clinical development. The historical failure rate for product candidates is high due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables. The results from preclinical testing or early clinical trials of a product candidate may not predict the results that will be obtained in later phase clinical trials of the product candidate. We, the EMA, the FDA or other applicable regulatory authorities may suspend clinical trials of a product candidate at any time for various reasons, including, but not limited to, a belief that subjects participating in such trials are being exposed to unacceptable health risks or adverse side effects, or other adverse initial experiences or findings. We may not have the financial resources to continue development of, or to enter into collaborations for, a product candidate if we experience any problems or other unforeseen events that delay or prevent regulatory approval of, or our ability to commercialize, product candidates, including:

- inability to obtain sufficient funds required for a clinical trial;
- inability to recruit and retain qualified personnel;
- inability to reach agreements on acceptable terms with prospective contract research organizations and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different contract research organizations and trial sites;
- negative or inconclusive results from our clinical trials or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- serious and unexpected drug-related side effects experienced by subjects in our clinical trials or by individuals using drugs similar to our product candidates;
- conditions imposed by the EMA or FDA or comparable foreign authorities regarding the scope or design of our clinical trials;
- delays in enrolling research subjects in clinical trials;
- high drop-out rates and high fail rates of research subjects;
- inadequate supply or quality of product candidate components or materials or other supplies necessary for the conduct of our clinical trials;
- greater than anticipated clinical trial costs;
- poor effectiveness of our product candidates during clinical trials; or
- unfavourable FDA or other regulatory agency inspection and review of a clinical trial site or vendor.

We have only recently commenced drug development and have never submitted an NDA, and any product candidate we advance through clinical trials may not have favourable results in later clinical trials or receive regulatory approval.

Clinical failure can occur at any stage of our clinical development. Clinical trials may produce negative or inconclusive results, and our collaborators or we may decide, or regulators may require us, to conduct additional clinical trials or nonclinical studies. In addition, data obtained from trials and studies are susceptible to varying interpretations, and regulators may not interpret our data as favourably as we do, which may delay, limit, or prevent regulatory approval. Success in preclinical studies and early clinical trials does not ensure that subsequent clinical trials will generate the same or similar results or otherwise provide adequate data to demonstrate the efficacy and safety of a product candidate. A number of companies in the pharmaceutical industry, including those with greater resources and experience than us, have suffered significant setbacks in clinical trials, even after seeing promising results in earlier

clinical trials. The commencement and completion of future clinical studies could be substantially delayed or prevented by several factors, including, but not limited to:

- a limited number of, and competition for, suitable patients with particular types of cancer for enrolment in our clinical studies;
- delays or failures in reaching acceptable clinical study agreement terms;
- failure of patients to complete the clinical study; and
- unforeseen safety issues.

In addition, the design of a clinical trial can determine whether its results will support approval of a product and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. We may be unable to design and execute a clinical trial to support regulatory approval. Further, clinical trials of potential products often reveal that it is not practical or feasible to continue development efforts.

If any of our drug product candidates are found to be unsafe or lack efficacy, we will not be able to obtain regulatory approval for it and our business would be harmed.

In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in composition of the patient populations, adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. We do not know whether any clinical trials we or any of our potential future collaborators may conduct will demonstrate the consistent or adequate efficacy and safety that would be required to obtain regulatory approval and market any products. If we are unable to bring any of our drug candidates to market, or to acquire other products that are on the market or can be developed, our ability to create long-term stockholder value will be limited.

Our product candidates may have undesirable side effects that may delay or prevent marketing approval, or, if approval is received, require them to be taken off the market, require them to include safety warnings or otherwise limit their sales.

Unforeseen side effects from any of our product candidates could arise either during clinical development or, if any product candidates are approved, after the approved product has been marketed.

The range and potential severity of possible side effects from oncology therapies such as our drug candidates are significant. If any of our drug candidates cause undesirable or unacceptable side effects in the future, this could interrupt, delay or halt clinical trials and result in the failure to obtain or suspension or termination of marketing approval from the FDA and other regulatory authorities or result in marketing approval from the FDA and other regulatory authorities only with restrictive label warnings or other limitations.

If any of our product candidates receives marketing approval and we or others later identify undesirable or unacceptable side effects caused by such products:

- regulatory authorities may require the addition of labelling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies;
- we may be required to change instructions regarding the way the product is administered, conduct additional clinical trials or change the labelling of the product;
- we may be subject to limitations on how we may promote the product;
- sales of the product may decrease significantly;
- regulatory authorities may require us to take our approved product off the market;
- we may be subject to litigation or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us or our potential future collaborators from achieving or maintaining market acceptance of the affected product or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenues from the sale of our products.

If the EMA does not find the manufacturing facilities of our future contract manufacturers acceptable for commercial production, we may not be able to commercialize any of our product candidates.

We do not intend to manufacture the pharmaceutical products that we plan to sell. The facilities used by any contract manufacturer to manufacture any of our product candidates must be the subject of a satisfactory inspection before the EMA approves the product candidate manufactured at that facility. We are completely dependent on these third-party manufacturers for compliance with the requirements of European and non-European regulators for the manufacture of our finished products. If our manufacturers cannot successfully manufacture material that conform to our specifications and the EMA's current good manufacturing practice standards, and other requirements of any governmental agency whose jurisdiction to which we are subject, our product candidates will not be approved or, if already approved, may be subject to recalls or other negative actions. Reliance on third-party manufacturers entails risks to which we would not be subject if we manufactured our product candidates, including:

- the possibility that we are unable to enter into a manufacturing agreement with a third party to manufacture our product candidates;
- the possible breach of the manufacturing agreements by the third parties because of factors beyond our control; and
- the possibility of termination or nonrenewal of the agreements by the third parties before we are able to arrange for a qualified replacement third-party manufacturer.

Any of these factors could cause the delay of approval or commercialization of our product candidates, cause us to incur higher costs or prevent us from commercializing our product candidates successfully. Furthermore, if any of our product candidates are approved and contract manufacturers fail to deliver the required commercial quantities of finished product on a timely basis at commercially reasonable prices and we are unable to find one or more replacement manufacturers capable of production at a substantially equivalent cost, in substantially equivalent volumes and quality and on a timely basis, we would likely be unable to meet demand for our products and could lose potential revenue. It may take several years to establish an alternative source of supply for our product candidates and to have any such new source approved by the government agencies that regulate our products.

We have no sales, marketing or distribution experience and we will have to invest significant resources to develop those capabilities or enter into acceptable third-party sales and marketing arrangements.

We have no sales, marketing or distribution experience. To develop sales, distribution and marketing capabilities, we will have to invest significant amounts of financial and management resources, some of which will need to be committed prior to any confirmation that our product candidates will be approved by the EMA. For product candidates where we decide to perform sales, marketing and distribution functions ourselves or through third parties, we could face a number of additional risks, including that we or our third-party sales collaborators may not be able to build and maintain an effective marketing or sales force. If we use third parties to market and sell our products, we may have limited or no control over their sales, marketing and distribution activities on which our future revenues may depend.

We may not be successful in establishing and maintaining development and commercialization collaborations, which could adversely affect our ability to develop certain of our product candidates and our financial condition and operating results.

Because developing pharmaceutical products, conducting clinical trials, obtaining regulatory approval, establishing manufacturing capabilities and marketing approved products are expensive, we may seek to enter into collaborations with companies that have more experience. Additionally, if any of our product candidates receives marketing approval, we may enter into licencing out agreements or sales and marketing arrangements with third parties with respect to our unlicensed territories. If we are unable to enter into arrangements on acceptable terms,

if at all, we may be unable to effectively market and sell our products in our target markets. We expect to face competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement and they may require substantial resources to maintain. We may not be successful in our efforts to establish and implement collaborations or other alternative arrangements for the development of our product candidates.

When we collaborate with a third party for development and commercialization of a product candidate or collaboration in making grant applications, we can expect to relinquish some or all of the control over the future success of that product candidate to the third party. One or more of our collaboration partners may not devote sufficient resources to the commercialization of our product candidates or may otherwise fail in their commercialization. The terms of any collaboration or other arrangement that we establish may contain provisions that are not favourable to us. In addition, any collaboration that we enter into may be unsuccessful in the development and commercialization of our product candidates. In some cases, we may be responsible for continuing preclinical and initial clinical development of a product candidate or research program under a collaboration arrangement, and the payment we receive from our collaboration partner may be insufficient to cover the cost of this development. If we are unable to reach agreements with suitable collaborators for our product candidates, we would face increased costs, we may be forced to limit the number of our product candidates we can commercially develop or the territories in which we commercialize them. As a result, we might fail to commercialize products or programs for which a suitable collaborator cannot be found. If we fail to achieve successful collaborations, our operating results and financial condition could be materially and adversely affected.

We face competition from other biotechnology and pharmaceutical companies and our operating results will suffer if we fail to compete effectively.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. We have competitors in the United States, Europe and other jurisdictions, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical and generic drug companies and universities and other research institutions. Many of our competitors have greater financial and other resources, such as larger research and development staff and more experienced marketing and manufacturing organizations than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining regulatory approvals, recruiting patients and manufacturing pharmaceutical products. These companies also have significantly greater research, sales and marketing capabilities and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. As a result of all of these factors, our competitors may succeed in obtaining patent protection and/or FDA approval or discovering, developing and commercializing drugs for the diseases that we are targeting before we do or may develop drugs that are deemed to be more effective or gain greater market acceptance than ours. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. In addition, many universities and private and public research institutes may become active in our target disease areas. Our competitors may succeed in developing, acquiring or licensing on an exclusive basis, technologies and drug products that are more effective or less costly than any of our product candidates that we are currently developing or that we may develop, which could render our products obsolete or non-competitive.

If our competitors market products that are more effective, safer or less expensive or that reach the market sooner than our future products, if any, we may not achieve commercial success. In addition, because of our limited resources, it may be difficult for us to stay abreast of the rapid changes in each technology. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

The intellectual property rights we have licensed from other organizations are subject to the rights of others.

We have obtained a royalty-bearing, limited territory, exclusive license to intellectual property rights from other organizations. The intellectual property rights that we have are therefore limited and may not provide us with sufficient market to carry out our business plans or to effectively compete with competitors.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights.

We may from time to time seek to enforce our intellectual property rights against infringers when we determine that a successful outcome is probable and may lead to an increase in the value of the intellectual property. If we choose to enforce our patent rights against a party, then that individual or company has the right to ask the court to rule that such patents are invalid or should not be enforced. Additionally, the validity of our patents and the patents we have licensed may be challenged if a petition for post grant proceedings such as inter-partes review and post grant review is filed within the statutorily applicable time with the European Patent Office ("**EPTO**"). These lawsuits and proceedings are expensive and would consume time and resources and divert the attention of managerial and scientific personnel even if we were successful in stopping the infringement of such patents. In addition, there is a risk that the court will decide that such patents are not valid and that we do not have the right to stop the other party from using the inventions. There is also the risk that, even if the validity of such patents is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe our intellectual property rights. In addition, in recent years the U.S. Supreme Court modified some tests used by the EPTO in granting patents over the past 20 years, which may decrease the likelihood that we will be able to obtain patents and increase the likelihood of a challenge of any patents we obtain or license.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that these employees, or we, have used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and products could be significantly diminished.

We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We will need to expand our operations and increase the size of our company, and we may experience difficulties in managing growth.

As of July 30, 2019, we have 7 full-time and 5 part-time employees. As we advance our product candidates through preclinical studies and clinical trials, we will need to increase our product development, scientific and administrative headcount to manage these programs. In addition, to meet our obligations as a public company, we may need to increase our general and administrative capabilities. Our management, personnel and systems currently in place

may not be adequate to support this future growth. If we are unable to successfully manage this growth and increased complexity of operations, our business may be adversely affected.

We may not be able to manage our business effectively if we are unable to attract and retain key personnel and consultants.

We may not be able to attract or retain qualified management, finance, scientific and clinical personnel and consultants due to the intense competition for qualified personnel and consultants among biotechnology, pharmaceutical and other businesses. If we are not able to attract and retain necessary personnel and consultants to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

We are highly dependent on the development, regulatory, commercialization and business development expertise of our management team, key employees and consultants. If we lose one or more of our executive officers or key employees or consultants, our ability to implement our business strategy successfully could be seriously harmed. Any of our executive officers or key employees or consultants may terminate their employment at any time. Replacing executive officers, key employees and consultants may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain regulatory approval of and commercialize products successfully. Competition to hire and retain employees and consultants from this limited pool is intense, and we may be unable to hire, train, retain or motivate these additional key personnel and consultants. Our failure to retain key personnel or consultants could materially harm our business.

In addition, we have scientific and clinical advisors and consultants who assist us in formulating our research, development and clinical strategies. These advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us and typically they will not enter into non-compete agreements with us. If a conflict of interest arises between their work for us and their work for another entity, we may lose their services. In addition, our advisors may have arrangements with other companies to assist those companies in developing products or technologies that may compete with ours.

We do not expect that our insurance policies will cover all of our business exposures thus leaving us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. Although we intend to obtain product insurance before we commence any clinical trials, there can be no assurance that we will secure adequate insurance coverage or that any such insurance coverage will be sufficient to protect our operations to significant potential liability in the future. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our financial position and results of operations.

Additionally, we use hazardous materials, and any claims relating to improper handling, storage or disposal of these materials could be time-consuming or costly. We do not carry specific hazardous waste insurance coverage and our property and casualty and general liability insurance policies specifically exclude coverage for damages and fines arising from hazardous waste exposure or contamination.

We may incur penalties if we fail to comply with healthcare regulations.

We are exposed to the risk of employee fraud or other illegal activity by our employees, independent contractors, consultants, commercial partners and vendors. In addition to EMA and FDA restrictions on the marketing of pharmaceutical products, several other types of state and federal laws have been applied to restrict certain marketing practices in the pharmaceutical and medical industries in recent years, as well as consulting or other service agreements with physicians or other potential referral sources.

We may not be able to recover from any catastrophic event affecting our suppliers.

Our suppliers may not have adequate measures in place to minimize and recover from catastrophic events that may substantially destroy their capability to meet customer needs, and any measures they may in place may not be adequate to recover production processes quickly enough to support critical timelines or market demands. These catastrophic events may include weather events such as tornadoes, earthquakes, floods or fires. In addition, these catastrophic events may render some or all of the products at the affected facilities unusable.

We may be materially adversely affected in the event of cyber-based attacks, network security breaches, service interruptions, or data corruption.

We rely on information technology to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities. We use technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal, and tax requirements. Our information technology systems, some of which are managed by third-parties, may be susceptible to damage, disruptions or shutdowns due to computer viruses, attacks by computer hackers, failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors or catastrophic events. Although we have developed systems and processes that are designed to protect proprietary or confidential information and prevent data loss and other security breaches, such measures cannot provide absolute security. If our systems are breached or suffer severe damage, disruption or shutdown and we are unable to effectively resolve the issues in a timely manner, our business and operating results may significantly suffer and we may be subject to litigation, government enforcement actions or potential liability. Security breaches could also cause us to incur significant remediation costs, result in product development delays, disrupt key business operations, including development of our product candidates, and divert attention of management and key information technology resources.

Success of Quality Control Systems

The quality and safety of our products are critical to the success of our business and operations. As such, it is imperative that our and our service providers' quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although we strive to ensure that all of our service providers have implemented and adhere to high-caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on our business and operating results.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Company Shares.

Management of the Company will ensure the accounting cycle, payroll administration, operational activities, and financial reporting controls to assess internal control risks and to ensure proper internal control is in place. One of the deficiencies in internal control is the lack of segregation of accounting duties due to the limited size of WPD. However, the threat of this deficiency is considered immaterial as management has taken effective measures to

mitigate this weakness. The CEO will continue to reside in Poland and the CFO will reside in Canada, helping to ensure no collusion and making the CFO personally subject to Canadian regulation.

The potential risk that flows from the identified deficiencies and weaknesses is the risk of potential fraud. However, the risk of fraud is considered low as management has taken measures as stated above to mitigate the potential risk of fraud. Management anticipates taking the following measures to mitigate this weakness: (i) all purchase and payment, including payroll, must be authorized by management; (ii) all capital expenditures must be preapproved by the Board; (iii) all source documents in Polish or any other language other than English must be translated and scanned for accounting entries and recordkeeping purposes; (iv) and almost all of the Company's cash will be deposited with a Canadian bank in Vancouver, Canada. Bank statements of WPD will be reviewed by the CFO of the Company regularly.

The Board will continue to monitor the operations of WPD, evaluate the internal controls, and develop measures in the future to mitigate any potential risks and weaknesses.

Need for Additional Financing and Possible Effects of Dilution

The Company may issue equity securities to finance its activities, including future acquisitions. If the Company were to issue additional common shares following the Acquisition, existing holders of such common shares may experience dilution in their holdings. Moreover, when the Company's intention to issue additional equity securities becomes publicly known, the price of the Company Share may be adversely affected.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for common shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

Dividends

Neither the Company nor WPD has paid any dividends on its outstanding shares, nor is there any intention of paying dividends in the foreseeable future. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including other pharmaceutical or biotechnological companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BCBCA provides that in the event that a director or senior officer has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director or senior officer must disclose his interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the proposed management of the Company's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a director or officer of the Company except as otherwise disclosed in this Listing Statement.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in

damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although the Company maintains and intends to continue to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Company is not generally available on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Tax Risk

The Company is subject to various taxes including, but not limited to the following: income tax; goods and services tax; sales tax; land transfer tax; and payroll tax. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

18. Promoters

The Company does not expect to have any promoters other than its directors and officers, nor has the Company had a promoter other than such persons within the two years immediately preceding the date of this Listing Statement.

19. Legal Proceedings

On August 15, 2016, the BCSC issued a partial revocation order (the "**Partial Order**") in respect of its cease trade order pertaining to the Westcot Shares dated October 6, 2015. On February 6, 2017, the BCSC revoked the cease trade order as all requisite filings were made by Westcot in December 2016.

As of the date of this Listing Statement, the Company is not a party to any material legal proceedings or any regulatory actions. The Company does not contemplate any material legal proceedings and is not aware of any material legal proceedings being contemplated against the Company.

Regulatory Actions

The Company has not been subject to any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or a securities regulatory authority, any other penalties or sanctions imposed by a court or regulatory body, nor any settlement agreements entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

20. Interest of Management and Others in Material Transactions

Except as otherwise disclosed herein, no director, executive officer, or principal shareholder of the Company, or an associate or affiliate of a director, executive officer or principal shareholder of the Company, has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Company.

21. Auditors, Transfer Agents and Registrars

Auditor

The auditor of the Company is Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants of #1500-1700, 1140 West Pender Street, Vancouver, British Columbia, Canada V6E 4G1.

Transfer Agent and Registrar

The transfer agent and registrar of the Company is Computershare Trust Company of Canada of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, Canada V6C 3B9.

22. Material Contracts

Except for contracts entered into in the ordinary course of business, the only contracts entered into by the Company in the two years immediately prior to the date hereof that can reasonably be regarded as presently material to the Company are as follows:

(a) the Share Exchange Agreement, see "*General Development of the Business – The Acquisition – The Share Exchange Agreement*" for further details;

(b) the Amending Agreement, see "*General Development of the Business*" for further details;

(c) the Wake Forest License Agreement, see "*General Development of the Business – WPD"* for further details;

(d) the CNS Sublicense Agreement, see "*General Development of the Business – WPD"* for further details;

(e) the ALS Sublicense Agreement, see "*General Development of the Business – WPD"* for further details;

(f) the Moleculin Sublicense Agreement, see "*General Development of the Business – WPD"* for further details;

(g) Grant Agreement for the Project under Smart Growth Operational Programme dated May 24, 2019 between the National Centre of Research and Development and WPD whereby WPD was granted co-financing in the maximum amount of 22,033,066.00 zł; and

(h) Grant Agreement for the Project under Smart Growth Operational Programme dated June 19, 2018 between the National Centre of Research and Development and WPD whereby WPD was granted co-financing in the maximum amount of 21,400,477.45 zł.

23. Interest of Experts

To the best of the Company's knowledge, no direct or indirect interest in the Company is held or will be received by any experts.

24. Other Material Facts

There are no material facts other than as disclosed herein.

25. Financial Statements

The following financial statements and related management, discussion and analysis ("**MD&A**") are attached as schedules to this Listing Statement.

Schedule "A" – Financial Statements of Westcot for the period ended October 31, 2019 and the years ended January 31, 2019 and 2018

Schedule "B" – MD&A of Westcot for the period ended October 31, 2019 and the year ended January 31, 2019

Schedule "C" – Financial Statements of WPD for the year ended December 31, 2018 and the period ended September 30, 2019

Schedule "D" – MD&A of WPD for the year ended December 31, 2018 and the period ended September 30, 2019

Schedule "E" – Pro Forma Financial Statements of the Company

CERTIFICATE OF THE COMPANY

Pursuant to a resolution duly passed by its Board of Directors, the Company hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to the Company. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia

this 20th day of December, 2019.

"Mariusz Olejniczak"	*"Christopher Cherry"*
Chief Executive Officer Mariusz Olejniczak	Chief Financial Officer Christopher Cherry
"Liam Lake Corcoran"	*"Teresa Rzepczyk"*
Canadian Vice President of Legal, Corporate Secretary and Director Liam Lake Corcoran	Director Teresa Rzepczyk

Schedule "A"

Financial Statements of Westcot for the period ended October 31, 2019 and the years ended January 31, 2019 and 2018

WESTCOT VENTURES CORP.

Condensed Interim Financial Statements
Nine Months Ended October 31, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

WESTCOT VENTURES CORP.

(the "Company")

Condensed Interim Financial Statements

Nine Months Ended October 31, 2019 and 2018

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The management of Westcot Ventures Corp. is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim financial statements and are in accordance with IAS 34 - Interim Financial Reporting.

The Company's auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

November 29, 2019

WESTCOT VENTURES CORP.

(Formerly Sparrow Ventures Corp.)
Condensed Interim Statements of Financial Position
(Unaudited – prepared by management)
As at October 31, 2019 and January 31, 2019
(Expressed in Canadian Dollars)

	October 31, 2019	January 31, 2019
	$	$
ASSETS		
CURRENT		
Cash	195,665	801,058
Receivable (Note 9)	58,441	73,665
Prepaid expenses (Note 4)	26,690	272,852
Loan receivable (Note 7)	203,195	-
Subscription receipts held in trust (Note 7)	2,819,772	2,784,172
	3,303,763	3,931,747
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5,9)	80,089	194,457
Subscription receipts (Note 7)	2,747,409	2,747,409
Interest payable (Note 6)	15,963	15,963
	2,843,461	2,957,829
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	3,440,770	3,440,770
Reserves	105,298	105,298
Deficit	(3,085,766)	(2,572,150)
	460,302	973,918
	3,303,763	3,931,747

Nature of operations and going concern (Note 1)

Approved on behalf of the board:

"Liam Corcoran"
Liam Corcoran, Director

"Yari Neiken"
Yari Neiken, Director

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

WESTCOT VENTURES CORP.

(Formerly Sparrow Ventures Corp.)
Condensed Interim Statements of Operations and Comprehensive Loss
(Unaudited – prepared by management)
For the Three and Nine Months Ended October 31, 2019 and 2018
(Expressed in Canadian Dollars)

	Three months ended October 31,		Nine months ended October 31,	
	2019	2018	2019	2018
	$	$	$	$
EXPENSES				
Advisory fees	-	10,000	-	10,000
Consulting fees (Note 9)	56,713	107,875	246,163	311,000
Directors fees (Note 9)	3,000	4,500	8,000	15,000
Management fees (Note 9)	22,286	9,000	62,429	50,250
Office, rent and administration	1,030	2,236	3,775	2,740
Professional fees	23,860	10,820	53,491	37,525
Regulatory fees	5,900	2,333	11,727	8,713
Transaction costs	61,736	85,000	157,734	85,000
Transfer agent and shareholder information	170	4,207	3,173	8,677
Travel and promotion	-	272	5,937	22,851
LOSS BEFORE OTHER ITEMS	(174,695)	(236,243)	(552,429)	(551,756)
OTHER ITEMS				
Finance costs	-	(303)	-	(1,870)
Interest income (Note 7)	15,242	-	38,813	-
	15,242	(303)	38,813	(1,870)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(159,453)	(236,546)	(513,616)	(553,626)
BASIC AND DILUTED LOSS PER SHARE	(0.00)	(0.01)	(0.02)	(0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUSTANDING – BASIC AND DILUTED	32,120,392	18,871,639	32,120,392	18,281,856

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

WESTCOT VENTURES CORP.
(Formerly Sparrow Ventures Corp.)
Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Unaudited – prepared by management)
For the Nine Months Ended October 31, 2019 and 2018
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Subscription Receipts	Share Subscriptions	Reserves	Deficit	Total
		$	$	$	$	$	$
Balance, January 31, 2018	17,504,296	1,998,618	-	-	105,298	(1,792,714)	311,202
Issuance of shares for debenture conversion	184,614	12,000	-	-	-	-	12,000
Private placement	857,142	300,000	-	-	-	-	300,000
Share issued for warrant exercises	3,348,136	221,332	-	-	-	-	221,332
Subscription receipts issuance costs	-	-	(17,590)	-	-	-	(17,590)
Issuance of subscription receipts	-	-	2,764,999	-	-	-	2,764,999
Funds received in advance of share issuance	-	-	-	66,000	-	-	66,000
Net loss for the period	-	-	-	-	-	(553,626)	(553,626)
Balance, October 31, 2018	21,894,188	2,531,950	2,747,409	66,000	105,298	(2,346,340)	3,104,317
Balance, January 31, 2019	32,120,392	3,440,770	-	-	105,298	(2,572,150)	973,918
Net loss for the period	-	-	-	-	-	(513,616)	(513,616)
Balance, October 31, 2019	32,120,392	3,440,770	-	-	105,298	(3,085,766)	460,302

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

WESTCOT VENTURES CORP.

(Formerly Sparrow Ventures Corp.)
Condensed Interim Statements of Cash Flows
(Unaudited – prepared by management)
For the Nine Months Ended October 31, 2019 and 2018
(Expressed in Canadian Dollars)

	October 31, 2019	October 31, 2018
	$	$
OPERATING ACTIVITIES		
Net loss for the period	(513,616)	(553,626)
Items not involving cash:		
Finance costs	-	1,870
Accrued interest income	(38,795)	-
Changes in non-cash working capital accounts:		
Receivable	15,224	(16,464)
Loan receivable	(200,000)	-
Prepaid expenses	246,162	38,067
Accounts payable and accrued liabilities	(114,368)	129,181
NET CASH USED IN OPERATING ACTIVITIES	(605,393)	(400,972)
INVESTING ACTIVITIES		
Deposit held in trust	-	(2,764,999)
NET CASH USED IN INVESTING ACTIVITIES	-	(2,764,999)
FINANCING ACTIVITIES		
Proceeds from share issuance	-	521,332
Proceeds from subscription receipts, net	-	2,747,409
Proceeds in advance of share issuance	-	66,000
Repayment of loans payable	-	(15,559)
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	3,319,182
INCREASE IN CASH	(605,393)	153,211
Cash, beginning of period	801,058	195,515
CASH, END OF PERIOD	195,665	348,726
Non-cash financing and investing activities:		
Shares issued for settlement of convertible debentures	$ -	$ 12,000

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

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Westcot Ventures Corp. (the "Company") was incorporated on July 4, 2006, under the laws of the Business Corporations Act (British Columbia). Effective June 17, 2014, the Company's listing was transferred to the NEX board of the TSX Venture Exchange (the "Exchange") due to the Company's failure to maintain the requirements for a TSX Venture Tier 2 company.

The head office, principal address, and records office of the Company are located at Suite 1080, 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. The Company's registered office address is located at 10th Floor – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

These condensed interim financial statements have been prepared on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for the next twelve months.

The Company's ability to continue as a going concern is dependent upon financial support from its creditors, shareholders, and related parties, its ability to obtain financing to fund working capital requirements and upon the attainment of future profitable operations.

The Company has not yet achieved profitable operations, has incurred significant operating losses and negative cash flows from operations, and has been reliant on external debt and equity financing. As at October 31, 2019, the Company has accumulated losses of $3,085,766. There is no assurance that the Company will be successful in generating and maintaining profitable operations or in securing future debt or equity financing for its working capital and development activities. These factors indicate the existence of a material uncertainty that may cast significate doubt about the Company's ability to continue as going concern.

These condensed interim financial statements do not reflect any adjustments to the amounts and classifications of assets and liabilities, which would be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements were authorized for issuance on November 29, 2019 by the Directors of the Company. The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements.

(a) Basis of Presentation

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards 34, *"Interim Financial Reporting"* ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements as at and for the year ended January 31, 2019.

The condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended January 31, 2019.

Certain comparative figures have been reclassified to conform to the current period's presentation.

(Expressed in Canadian Dollars)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Significant Accounting Judgments, Estimates and Assumptions

In the preparation of condensed interim financial statements in conformity with IFRS, management is required to make judgments, estimates, and assumptions that affect the amounts reported and disclosed in the condensed interim financial statements and related notes. There has been no significant change to the Company's estimation and judgment from those disclosed in note 2 to the audited financial statements for the year ended January 31, 2019.

These condensed interim financial statements have been prepared on a historical cost basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

NOTE 3 – NEW ACCOUNTING STANDARDS

IFRS 16 – Leases

On February 1, 2019, the Company adopted IFRS 16. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The adoption of IFRS 16 had no impact on the condensed interim financial statements as the Company has no leases.

NOTE 4 – PREPAID EXPENSES

	October 31, 2019	January 31, 2019
	$	$
Prepaid consulting fees	25,274	271,436
Other	1,416	1,416
	26,690	272,852

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2019	January 31, 2019
	$	$
Accounts payable (Note 9)	63,587	124,382
Accrued liabilities (Note 9)	16,502	21,900
Amounts due to shareholders for overpayment on exercise of warrants	-	48,175
	80,089	194,457

Included in trade payables and accrued liabilities are amounts due to related parties of $8,050 (January 31, 2019 – $7,925). These related party payables are unsecured, non-interest bearing and due on demand (Note 9)

(Expressed in Canadian Dollars)

NOTE 6 – CONVERTIBLE DEBENTURES

	Debentures carried at amortized cost	Interest accrued	Total	Equity component
	$	$	$	$
Balance at January 31, 2018	**11,659**	**15,332**	**26,991**	**6,584**
Interest expense	-	631	631	-
Accretion expense	341	-	341	-
Conversion to common shares	(12,000)	-	(12,000)	-
Balance at October 31, 2019 and January 31, 2019	**-**	**15,963**	**15,963**	**6,584**

On March 16, 2017 and June 2, 2017, the Company issued two tranches of secured convertible debentures with an aggregate face value of $201,041. The debentures matured 24 months from the date of issue, accrued interest at a rate of 11% per year and were initially convertible into units of the Company at a per unit conversion price equal to the 10-day post-consolidated average closing price of the common shares of the Company on the NEX following the resumption of trading subject to a $0.05 minimum. The price was subsequently determined to be $0.13 per share. Each unit was comprised of one common share and one share purchase warrant of the Company. Each share purchase warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.13 per share. The Company's obligations under the debentures were secured by a general security agreement.

The debentures were initially recognized at their face value of $201,041 less the value of the equity component of $23,941 for a net amount of $177,100. Due to the fact that the Company's shares were reinstated for trading on the NEX on September 2017, the conversion feature at the issuance date of these debentures was variable. As a result, the option to settle payments in common shares represented an embedded derivative for the Company. This derivative liability was initially recognized by comparing a similar instrument without the conversion option and discounting the fair value of the host contract with the non-convertible instrument interest rate. The change in fair value of the derivative liability during the year was recognized in the statement of loss and comprehensive loss for the year ended January 31, 2018.

The CEO of the Company subscribed to $5,747 of these debentures. The amount of interest payable for this debenture as at October 31, 2019 is $243 (2019 - $243) (Note 9).

On October 10, 2017, debentures with a face value of $238,000 were converted to 3,661,526 shares and 3,661,526 warrants.

On March 28, 2018, debentures with a face value of $12,000 were converted to 184,614 shares and 184,614 warrants.

NOTE 7 – SUBSCRIPTION RECEIPTS

On August 27, 2018, the Company completed a non-brokered private placement offering of 7,899,996 subscription receipts of the Company, at a price of $0.35 per subscription receipt, for aggregate proceeds of $2,764,999. Share issuance costs of $17,590 were incurred in connection with the private placement. Each subscription receipt will be converted into one unit of the Company. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to obtain an additional common share

NOTE 7 – SUBSCRIPTION RECEIPTS (Continued)

of the Company at a price of $0.50 for a period of 24 months from the date of issue.

The funds received from the subscription receipts are being held in trust until such time that the Company completes a business transaction. The funds in trust were originally to be used for a proposed business transaction that did not complete. For the period ended October 31, 2019, transaction costs for the transaction that did not complete totaled $10,000 (2018 - $Nil) and were expensed.

On July 17, 2019, the Company entered into a definitive agreement with WPD Pharmaceuticals Inc. ("WPD") pursuant to which the Company will, subject to certain conditions, acquire all of the issued and outstanding shares of WPD (collectively, the "Transaction"). The Transaction is an arm's length transaction that is expected to constitute a change of business ("COB") pursuant to Exchange Policy 5.2 – Changes of Business and Reverse Takeovers. It is anticipated that, following the Transaction, the resulting entity will be classified as a Tier 2 life sciences issuer on the Exchange.

WPD is a privately-held biotechnology research and development company, which was incorporated in Poland on September 1, 2017. WPD operates in the pharmaceuticals industry with a focus on oncology in the research and development of medicinal products involving biological compounds and small molecules.

The Company will acquire all of the issued and outstanding shares of WPD in exchange for 67,000,000 common shares of the Company. The common shares of the resulting entity will therefore be principally owned by the existing shareholders of WPD. The Company has agreed to provide WPD with a secured bridge loan for $200,000, subject to Exchange approval. During the period ended October 31, 2019, the bridge loan was issued through two promissory notes for $125,000 on August 6, 2019 and $75,000 on September 10, 2019 respectively. Both promissory notes bear 8% interest and mature six month after advance of the loan. As of October 31, 2019, the calculated interest was $3,195 and included in loan receivable.

The Transaction is subject to regulatory approval.

For the period ended October 31, 2019, transaction costs of $157,734 (2018 - $85,000) were incurred in connection with the Transaction.

If the Transaction is not completed, the Company must return the funds to the subscribers.

For the period ended October 31, 2019, interest income of $35,600 (2018 - $Nil) was earned on the funds held in trust and is included in other income in the condensed interim statement of loss and comprehensive loss.

NOTE 8 – SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of voting common shares without par value.

(b) Issued and Outstanding Share Capital

As at October 31, 2019, the Company has 32,120,392 (January 31, 2019 – 32,120,392) common shares issued and outstanding**.**

On July 17, 2018, the Company completed a two-for-one forward share split ("Forward Split") of the Company's current issued and outstanding common shares. All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Forward Split, including all such numbers presented for the prior period.

(Expressed in Canadian Dollars)

NOTE 8 – SHARE CAPITAL (Continued)

(c) Stock Options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Stock options and charitable options will be exercisable for a year of up to 10 years from the date of grant.

In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days, or, in the case of an optionee providing investor relations activities, the 30th day following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum year of six months after such death, subject to the expiry date of such option.

There were no stock option transactions for the period ended October 31, 2019 and no stock options outstanding at October 31, 2019.

(d) Warrants

Warrant transactions for the period ended October 31, 2019 and year ended January 31, 2019 are as follows:

	Number	Weighted Average Exercise Price
		$
Balance, January 31, 2019	428,570	0.50
Expired	(428,570)	0.50
Balance, October 31, 2019	-	-

(Expressed in Canadian Dollars)

NOTE 9 – RELATED PARTY TRANSACTIONS

Details of transactions between the Company and related parties are described as follows.

(a) Related Party Transactions

The Company incurred the following transactions with directors, officers or companies controlled by officers during the period ended October 31, 2019 and 2018:

	2019	2018
	$	$
Management fees to the CEO	48,000	6,000
Management fees to the CFO	11,428	4,500
Management fees to the former CEO	3,000	30,000
Directors fees	8,000	15,000
	70,428	64,500

(b) Related Party Balances

The following related party amounts were reflected in the statement of financial position as at October 31, 2019 and January 31, 2019:

As at	October 31, 2019	January 31, 2019
	$	$
Interest payable to a former CEO (Note 6)	(243)	(243)
Accounts payable to a former CEO (Note 5)	(150)	(100)
Accounts payable to CFO	(4,500)	-
Accrued liabilities to the Directors (Note 5)	(3,400)	(7,825)
Due to shareholders	-	(48,175)
Due from shareholder	49,984	49,984
	41,691	(6,359)

NOTE 10 – FINANCIAL RISK MANAGEMENT

(a) Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables, subscription receipts held in trust, accounts payable, subscription receipts and accrued interest on convertible debentures. The carrying values of cash, receivables, subscription receipts in trust, accounts payable, and accrued interest and subscription receipts approximate their fair values because of their short-term nature and/or the existence of market related interest rates on the instruments. Convertible debentures are measured at amortized cost using the effective interest rate method and their carrying value approximates their fair value. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

NOTE 10 – FINANCIAL RISK MANAGEMENT (Continued)

(a) Fair Value of Financial Instruments (Continued)

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes:

(i) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. There can be no assurance that the Company will be successful in generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and development activities (Note 1).

(iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest on the Company's loans payable and debentures is based on a fixed rate, and as such, the Company is not exposed to significant interest rate risk.

NOTE 11 – CAPITAL MANAGEMENT

The Company manages its share capital as capital, which as at October 31, 2019, was $3,440,770 (January 31, 2019 - $3,440,770). The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to pursue the development and expansion of its business and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, or return capital to its shareholders.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its objectives. The Company may issue new shares or seek debt financing to ensure that there is sufficient working

NOTE 11 – CAPITAL MANAGEMENT (Continued)

capital to meet its short-term business requirements. The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's management of capital during the period ended October 31, 2019.

WESTCOT VENTURES CORP.

Financial Statements
Years Ended January 31, 2019 and 2018

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Westcot Ventures Corp.

Opinion

We have audited the financial statements of Westcot Ventures Corp. (the "Company"), which comprise the statements of financial position as at January 31, 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of $779,436 during the year ended January 31, 2019 and has a deficit of $2,572,150 as at January 31, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended January 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 30, 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
May 29, 2019

WESTCOT VENTURES CORP.

Statements of Financial Position
As at January 31, 2019 and 2018
(Expressed in Canadian Dollars)

	Note	January 31, 2019	January 31, 2018
		$	$
ASSETS			
CURRENT			
Cash		801,058	195,515
Receivables	11	73,665	11,733
Prepaid expenses	5	272,852	200,867
Subscription receipts held in trust	9	2,784,172	-
		3,931,747	408,115
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	6,11	194,457	43,962
Subscription receipts	9	2,747,409	-
Loans payable	7	-	25,960
Current portion of convertible debentures and accrued interest	8	15,963	17,935
		2,957,829	87,857
LONG-TERM			
Convertible debentures and accrued interest	8	-	9,056
		2,957,829	96,913
SHAREHOLDERS' EQUITY			
Share capital	10	3,440,770	1,998,618
Reserves		105,298	105,298
Deficit		(2,572,150)	(1,792,714)
		973,918	311,202
		3,931,747	408,115

Nature of operations and going concern (Note 1)
Subsequent event (Note 16)

Approved on behalf of the board:

"Liam Corcoran"
Liam Corcoran, Director

"Yari Neiken"
Yari Neiken, Director

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

WESTCOT VENTURES CORP.

Statements of Loss and Comprehensive Loss
Years Ended January 31, 2019 and 2018
(Expressed in Canadian Dollars)

	Note	January 31, 2019	January 31, 2018
		$	$
EXPENSES			
Advisory fees		10,000	-
Consulting fees	11	414,314	263,250
Directors fees	11	20,000	16,667
Management fees	11	57,750	68,667
Office, rent and administration		8,774	1,153
Professional fees		115,714	49,835
Regulatory fees		10,728	9,213
Transaction costs	9	110,000	-
Transfer agent and shareholder information		11,817	8,504
Travel and promotion		48,941	5,581
LOSS BEFORE OTHER ITEMS		(808,038)	(422,870)
OTHER ITEMS			
Gain on forgiveness of debt	7	11,601	19,324
Gain on derivative liability	8	-	23,941
Finance costs	12	(2,172)	(46,108)
Other income	9	19,173	2,330
		28,602	(513)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(779,436)	(423,383)
BASIC AND DILUTED LOSS PER SHARE		(0.04)	(0.07)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUSTANDING – BASIC AND DILUTED		21,418,014	6,026,568

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

WESTCOT VENTURES CORP.

Statements of Changes in Shareholders' Equity
Years Ended January 31, 2019 and 2018
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Reserves	Deficit	Total
			$	$	$	$
Balance, January 31, 2017		2,731,660	1,010,618	105,298	(1,369,331)	(253,415)
Shares issued for cash	10	11,111,110	750,000	-	-	750,000
Shares issued for convertible debt	8,10	3,661,526	238,000	-	-	238,000
Net loss for the year		-	-	-	(423,383)	(423,383)
Balance, January 31, 2018		17,504,296	1,998,618	105,298	(1,792,714)	311,202
Shares issued for convertible debt	8,10	184,614	12,000	-	-	12,000
Private placement	10	857,142	300,000	-	-	300,000
Shares issued for warrant exercises	10	13,574,340	1,130,152	-	-	1,130,152
Net loss for the year		-	-	-	(779,436)	(779,436)
Balance, January 31, 2019		32,120,392	3,440,770	105,298	(2,572,150)	973,918

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

WESTCOT VENTURES CORP.

Statements of Cash Flows
Years Ended January 31, 2019 and 2018
(Expressed in Canadian Dollars)

	January 31, 2019	January 31, 2018
	$	$
OPERATING ACTIVITIES		
Net loss for the year	(779,436)	(423,383)
Items not involving cash:		
Finance costs	2,172	46,108
Gain on forgiveness of debt	(11,601)	(19,324)
Gain on change in fair value of derivative liability	-	(23,941)
Changes in non-cash working capital accounts:		
Receivables	(61,932)	(2,810)
Prepaid expenses	(71,985)	(200,867)
Accounts payable and accrued liabilities	150,495	(117,149)
NET CASH USED IN OPERATING ACTIVITIES	(772,287)	(741,366)
INVESTING ACTIVITIES		
Deposit held in trust	(2,784,172)	-
NET CASH USED IN INVESTING ACTIVITIES	(2,784,172)	-
FINANCING ACTIVITIES		
Proceeds from share issuance	1,430,152	750,000
Proceeds from subscription receipts, net	2,747,409	-
Proceeds from convertible debentures	-	177,241
Proceeds from loans payable	-	25,000
Repayment of loans payable	(15,559)	(15,661)
NET CASH PROVIDED BY FINANCING ACTIVITIES	4,162,002	936,580
INCREASE IN CASH	605,543	195,214
Cash, beginning of year	195,515	301
CASH, END OF YEAR	801,058	195,515
Non-cash financing and investing activities:		
Shares issued for settlement of convertible debentures	$ 12,000	$ 230,000
Loan payable converted to convertible debenture	-	23,800

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

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Westcot Ventures Corp. (formerly Sparrow Ventures Corp.) (the "Company") was incorporated on July 4, 2006, under the laws of the Business Corporations Act (British Columbia). Effective June 17, 2014, the Company's listing was transferred to the NEX board of the TSX Venture Exchange (the "Exchange") due to the Company's failure to maintain the requirements for a TSX Venture Tier 2 company.

The head office, principal address, and records office of the Company are located at Suite 1080, 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. The Company's registered office address is located at 10th Floor – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

These financial statements have been prepared on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for the next twelve months.

The Company's ability to continue as a going concern is dependent upon financial support from its creditors, shareholders, and related parties, its ability to obtain financing to fund working capital requirements and upon the attainment of future profitable operations.

The Company has not yet achieved profitable operations, has incurred significant operating losses and negative cash flows from operations, and has been reliant on external debt and equity financing. As at January 31, 2019, the Company has accumulated losses of $2,572,150. There is no assurance that the Company will be successful in generating and maintaining profitable operations or in securing future debt or equity financing for its working capital and development activities. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

These financial statements do not reflect any adjustments to the amounts and classifications of assets and liabilities, which would be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorized for issue on May 29, 2019 by the Directors of the Company. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of Presentation

These financial statements have been prepared on a historical cost basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The financial statements have been prepared on a historical cost basis, except for the items carried at fair value, and are presented in Canadian dollars, which is also the Company's functional currency.

Certain comparative figures have been reclassified to conform to the current year's presentation.

(b) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in fair value to be cash equivalents.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Share Capital

Share capital includes cash consideration received for share issuances. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Common shares issued for non-monetary consideration are recorded at an amount based on their fair market value on the date of issue. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing price on the issuance date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves. If the warrants expire unexercised, the value attributed to the warrants is transferred to deficit.

Consideration received for the exercise of options or warrants is recorded in share capital and the related residual value is transferred to share capital from reserves.

(d) Share-Based Payments

The Company operates an employee stock option plan.

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods.

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve.

The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Amounts recorded for forfeited or expired unexercised options are reversed in the period the forfeiture occurs.

Upon the exercise of stock options, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

(e) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Income Taxes

Tax expense recognized in the statement of loss comprises the sum of current and deferred taxes not recognized in other comprehensive income or directly in equity.

(i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(g) Loss per Share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive. The diluted loss per share does not include the effect of stock options, warrants and convertible debentures as they are anti-dilutive. At January 31, 2019, the total number of potentially dilutive warrants was 428,570 (2018 – 14,772,636) the total number of potentially dilutive stock options was Nil (2018 – 21,000) and the total number of shares and warrants that could be issued upon conversion of convertible debentures was Nil (2018 – 184,614). The aggregate number of potentially dilutive shares was 428,570 (2018 – 14,978,250).

(h) Comprehensive Loss

Comprehensive income (loss) includes all changes in equity of the Company, except those resulting from investments by shareholders and distributions to shareholders. Comprehensive income (loss) is the total of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that, in accordance with IFRS, require recognition, but are excluded from net income (loss). The Company does not have any items giving rise to other comprehensive income, nor is

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Comprehensive Loss (continued)

there any accumulated balance of other comprehensive income. All gains and losses, including those arising from measurement of all financial instruments have been recognized in net loss for the year. Net loss for the year is equivalent to comprehensive loss for the year.

(i) Financial Instruments

Newly adopted accounting standards

The Company adopted all of the requirements of IFRS 9 Financial Instruments on January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.
The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Subscription receipts held in trust	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost
Subscription receipts	Amortized cost	Amortized cost
Convertible debentures and loans	Amortized cost	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of net loss and comprehensive loss.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the financial statements are described below.

(Expressed in Canadian Dollars)

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

(a) Share-Based Compensation

The Company grants stock options to directors, officers, employees, and consultants of the Company under its incentive stock option plan. The fair value of stock options is estimated using the Black-Scholes Option Pricing Model and are expensed over their vesting periods. In estimating fair value, management is required to make certain assumptions and estimates such as the life of options, volatility, and forfeiture rates. Changes in assumptions used to estimate fair value could result in materially different results.

(b) Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

(c) Going concern

The presentation of these financial statements requires judgments regarding the ability of the Company to continue as a going concern, as described in Note 1.

NOTE 4 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 - Leases which replaces IAS 17 - Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has determined that adoption of IFRS 16 will have no material impact on the financial statements.

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

NOTE 5 – PREPAID EXPENSES

	January 31, 2019	January 31, 2018
	$	$
Prepaid consulting fees	271,436	200,000
Other	1,416	867
	272,852	200,867

(Expressed in Canadian Dollars)

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2019	January 31, 2018
	$	$
Trade payables (Note 10)	124,382	14,735
Accrued liabilities (Note 10)	21,900	29,227
Amounts due to shareholders for overpayment on exercise of warrants (Note 10)	48,175	-
	194,457	43,962

Included in trade payables and accrued liabilities are amounts due to related parties of $7,925 (January 31, 2018 – $13,667). These related party payables are unsecured, non-interest bearing and due on demand (Note 10).

NOTE 7– LOANS PAYABLE

	January 31, 2019	January 31, 2018
	$	$
Loan payable of $20,326 (a)	-	15,559
Loan payable of $10,000 (b)	-	10,401
	-	25,960

(a) The Company entered into loan agreements dated May 28, 2014 (the "Loans"), with its former Chief Executive Officer and a former director of the Company ("the Lenders") for the total principal amount of $20,326. The Loans are unsecured and bear interest at 12% per annum. In consideration for making the Loans, the Company issued an aggregate of 67,800 common shares to the Lenders at a fair value of $3,390 which was recorded as finance cost during the year ended January 31, 2016.

During the year ended January 31, 2018, the Loan from the former Chief Executive Officer, in the amount of $13,824, was forgiven and the forgiveness of debt was included in the statement of loss and comprehensive loss for the current year. During the year ended January 31, 2019, the Company repaid the Loan of $15,559 owing to the former director of the Company.

(b) On October 7, 2017, the Company entered into a loan agreement for $10,000. The loan was unsecured, bore interest at 12% per annum and matured on October 7, 2018. During the year ended January 31, 2019, the loan and accrued interest were forgiven, and the Company recorded a gain on forgiveness of debt of $11,601 in the statement of loss and comprehensive loss for the current year.

(Expressed in Canadian Dollars)

NOTE 8 – CONVERTIBLE DEBENTURES

	Debentures carried at amortized cost	Derivative liability	Interest accrued	Total	Equity component
	$	$	$	$	$
Balance at January 31, 2017	43,016	-	1,564	44,580	6,584
Issuance of convertible debentures	177,100	23,941	-	201,041	-
Interest expense	-	-	13,768	13,768	-
Accretion expense	29,543	-	-	29,543	-
Conversion to common shares	(238,000)	-	-	(238,000)	-
Change in fair value of derivative liability	-	(23,941)	-	(23,941)	-
Balance at January 31, 2018	**11,659**	**-**	**15,332**	**26,991**	**6,584**
Interest expense	-	-	631	631	-
Accretion expense	341	-	-	341	-
Conversion to common shares	(12,000)	-	-	(12,000)	-
Balance at January 31, 2019	**-**	**-**	**15,963**	**15,963**	**6,584**

On March 16, 2017 and June 2, 2017, the Company issued two tranches of secured convertible debentures with an aggregate face value of $201,041. The debentures matured 24 months from the date of issue, accrued interest at a rate of 11% per year and were initially convertible into units of the Company at a per unit conversion price equal to the 10-day post-consolidated average closing price of the common shares of the Company on the NEX following the resumption of trading subject to a $0.05 minimum. The price was subsequently determined to be $0.13 per share. Each unit was comprised of one common share and one share purchase warrant of the Company. Each share purchase warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.13 per share. The Company's obligations under the debentures were secured by a general security agreement.

The debentures were initially recognized at their face value of $201,041 less the value of the equity component of $23,941 for a net amount of $177,100. Due to the fact that the Company's shares were reinstated for trading on the NEX on September 2017, the conversion feature at the issuance date of these debentures was variable. As a result, the option to settle payments in common shares represented an embedded derivative for the Company. This derivative liability was initially recognized by comparing a similar instrument without the conversion option and discounting the fair value of the host contract with the non-convertible instrument interest rate. The change in fair value of the derivative liability during the year was recognized in the statement of loss and comprehensive loss for the year ended January 31, 2018.

The CEO of the Company subscribed to $5,747 of these debentures. The amount of interest payable for this debenture as at January 31, 2019 is $243 (2018 - $237) (Note 10).

On October 10, 2017, debentures with a face value of $238,000 were converted to 3,661,526 shares and 3,661,526 warrants (Note 9)

On March 28, 2018, debentures with a face value of $12,000 were converted to 184,614 shares and 184,614 warrants (Note 9).

NOTE 9 – SUBSCRIPTION RECEIPTS

On August 27, 2018, the Company completed a non-brokered private placement offering of 7,899,996 subscription receipts of the Company, at a price of $0.35 per subscription receipt, for aggregate proceeds of $2,764,999. Share issuance costs of $17,590 were incurred in connection with the private placement. Each subscription receipt will be converted into one unit of the Company. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to obtain an additional common share of the Company at a price of $0.50 for a period of 24 months from the date of issue.

The funds received from the subscription receipts are being held in trust until such time that the Company completes a business transaction. The funds in trust were originally to be used for a proposed business transaction that did not complete. For the year ended January 31, 2019, transaction costs for the transaction that did not complete totaled $110,000 (2018 - $Nil) and were expensed. If the new business transaction is not completed, the Company must return the funds to the subscribers (note 16).

For the year ended January 31, 2019, interest income of $19,173 (2018 - $Nil) was earned on the funds held in trust and is included in other income in the statement of loss and comprehensive loss.

NOTE 10 – SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of voting common shares without par value.

(b) Issued and Outstanding Share Capital

As at January 31, 2019, the Company has 32,120,392 (January 31, 2018 - 17,504,296) common shares issued and outstanding**.**

On September 14, 2017, the Company consolidated its common shares on the basis of one (1) new share for every ten (10) old shares (the "Consolidation"). On July 12, 2018, the Company completed a two-for-one forward share split ("Forward Split") of the Company's current issued and outstanding common shares. All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Consolidation and the Forward Split, including all such numbers presented for the prior year.

Shares Issued During the Year Ended January 31, 2019

On March 28, 2018, convertible debentures with a face value of $12,000 were converted to 184,614 units at a price of $0.065 per unit (Note 8). Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.065 per share for a period of one year from the date of issuance.

On July 27, 2018, the Company completed a private placement financing and issued 857,142 units of the Company at a price of $0.35 per unit, for proceeds of $300,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.50 for a period of twelve months from the date of issue, with an automatic twelve-month extension if the Company is listed on the Exchange.

During the year ended January 31, 2018, 13,574,340 warrants were exercised for gross proceeds of $1,130,152.

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL (Continued)

(b) Issued and Outstanding Share Capital (Continued)

Shares Issued During the Year Ended January 31, 2018

On October 10, 2017, the Company issued 3,661,526 units at $0.065 per unit for the conversion of convertible debentures with a face value of $238,000 (Note 8). Each unit was comprised of one common share and one share purchase warrant, where each share purchase warrant is exercisable into one common share of the Company at $0.065 per share for a period of one year from the date of issuance.

On November 21, 2017, the Company completed non-brokered private placement financing issuing 11,111,110 units at a price of $0.0675 per unit for gross proceeds of $750,000. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.09 for a period of one year from the date of issuance.

(c) Stock Options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Stock options and charitable options will be exercisable for a year of up to 10 years from the date of grant.

In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days, or, in the case of an optionee providing investor relations activities, the 30th day following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum year of six months after such death, subject to the expiry date of such option.

A summary of the stock option transactions for years ended January 31, 2019 and 2018 are as follows:

	Number of Options	Weighted Average Exercise Price
		$
Balance, January 31, 2017	78,000	0.01
Options cancelled	(78,000)	0.01
Balance, January 31, 2019 and 2018	-	-

(d) Charitable options

During the year ended January 31, 2019, 21,000 charitable options, exercisable at $0.02, expired.

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL (Continued)

(e) Warrants

Warrant transactions for the years ended January 31, 2019 and 2018 are as follows:

	Number	Weighted Average Exercise Price
		$
Balance, January 31, 2017	-	-
Issued	14,772,636	0.084
Balance, January 31, 2018	14,772,636	0.084
Issued	613,184	0.369
Exercised	(13,574,340)	0.083
Expired	(1,382,910)	0.087
Balance, January 31, 2019	428,570	0.50

The following table summarizes warrants outstanding as at January 31, 2019:

Exercise Price $	Number of Warrants Outstanding	Expiry Date
0.50	428,570	July 27, 2019

NOTE 11 – RELATED PARTY TRANSACTIONS

Details of transactions between the Company and related parties are described as follows.

(a) Related Party Transactions

The Company incurred the following transactions with directors, officers or companies controlled by officers during the years ended January 31, 2019 and 2018:

	January 31, 2019	January 31, 2018
	$	$
Gain on forgiveness of debt (a former CEO) (Note 7)	-	13,824
Management fees to former CEO's	(42,000)	(59,667)
Management fees to the former CFO	(15,000)	(9,000)
Directors fees	(20,000)	(16,667)
Consulting fees to a shareholder	(98,106)	(63,333)
Interest on debenture to a former CEO (Note 8)	(6)	(237)
Interest on loan to a former CEO (Note 7)	-	(1,735)
	(175,112)	(136,815)

(Expressed in Canadian Dollars)

NOTE 11 – RELATED PARTY TRANSACTIONS (Continued)

(b) Related Party Balances

The following related party amounts were reflected in the statement of financial position as at January 31, 2019 and 2018:

As at	January 31, 2019	January 31, 2018
	$	$
Interest payable to a former CEO (Note 8)	(243)	(237)
Trade payables to a former CEO and former CFO (Note 6)	(100)	-
Accounts payable to the company controlled by the former CFO (Note 6)	-	(4,500)
Accrued liabilities and payables to directors (Note 6)	(7,825)	(9,167)
Loans payable (a former director) (Note 7)	-	(15,559)
Due to shareholders (Note 6)	(48,175)	-
Due from shareholder	49,984	-
	(6,359)	(29,463)

NOTE 12 – FINANCE AND OTHER COSTS

Years ended	January 31, 2019	January 31, 2018
	$	$
Accretion of discount on debt (Note 8)	341	29,543
Interest expense (Note 7 and 8)	1,831	16,565
	2,172	46,108

NOTE 13 – INCOME TAXES

(a) Reconciliation of Effective Tax Rate

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 27% (2018 – 26.00%) to pre-tax loss as a result of the following:

Years ended	January 31, 2019	January 31, 2018
	$	$
Loss for the year	(779,436)	(423,383)
Expected income tax at statutory tax rates	(210,400)	(110,000)
Non-deductible expenditures and other items	(1,100)	(6,000)
Effect on change of tax rate	(17,500)	-
Change in unrecognizable deductible temporary differences	229,000	116,000
Total income tax expense (recovery)	-	-

(Expressed in Canadian Dollars)

NOTE 13 – INCOME TAXES (Continued)

(b) Deferred Income Tax Assets and Liabilities

Deferred tax assets have not been recognized in respect of the following items:

As at	January 31, 2019	January 31, 2018
	$	$
Non-capital losses carry-forward	681,000	456,000
Other items	4,000	-
Unrecognized deferred tax assets	(685,000)	(456,000)
Net deferred tax assets	-	-

(c) Non-Capital Losses

As at January 31, 2019, the Company has non-capital losses of $2,520,579, which may be applied to reduce taxable income of future years. These non-capital losses expire as follows:

Year	$
2029	80,087
2030	327,778
2031	196,550
2032	172,681
2033	132,779
2034	118,979
2035	34,430
2036	22,073
2037	203,489
2038	437,106
2039	794,627
	2,520,579

NOTE 14 – FINANCIAL RISK MANAGEMENT

(a) Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables, subscription receipts held in trust, accounts payable, subscription receipts and accrued interest on convertible debentures. The carrying values of cash, receivables, subscription receipts in trust, accounts payable, and accrued interest and subscription receipts approximate their fair values because of their short-term nature and/or the existence of market related interest rates on the instruments. Convertible debentures are measured at amortized cost using the effective interest rate method and their carrying value approximates their fair value. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

NOTE 14 – FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial Instruments Risk

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes:

(i) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. There can be no assurance that the Company will be successful in generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and development activities (Note 1).

(iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest on the Company's loans payable and debentures is based on a fixed rate, and as such, the Company is not exposed to significant interest rate risk.

NOTE 15 – CAPITAL MANAGEMENT

The Company manages its share capital as capital, which as at January 31, 2019, was $3,440,770 (January 31, 2018 - $1,998,618). The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to pursue the development and expansion of its business and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, or return capital to its shareholders.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its objectives. The Company may issue new shares or seek debt financing to ensure that there is sufficient working capital to meet its short-term business requirements. The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's management of capital during the year ended January 31, 2019.

NOTE 16 – SUBSEQUENT EVENT

On April 26, 2019, the Company entered into a letter of intent ("LOI") with WPD Pharmaceuticals Inc. ("WPD") to complete a transaction pursuant to which the Company will, subject to certain conditions, acquire all of the issued and outstanding shares of WPD (collectively, the "Transaction"). The Transaction is an arm's length transaction that is expected to constitute a change of business ("COB") pursuant to Exchange Policy 5.2 – Changes of Business and Reverse Takeovers. It is anticipated that, following the Transaction, the resulting entity will be classified as a Tier 2 life sciences issuer on the Exchange.

WPD is a privately-held biotechnology research and development company, which was incorporated in Poland on September 1, 2017. WPD operates in the pharmaceuticals industry with a focus on oncology in the research and development of medicinal products involving biological compounds and small molecules.

The LOI provides that the Company and WPD will negotiate and enter into a definitive agreement in connection with the Transaction (the "Definitive Agreement"), pursuant to which the Company will acquire all of the issued and outstanding shares of WPD in exchange for 67,000,000 common shares of the Company. The common shares of the resulting entity will therefore be principally owned by the existing shareholders of WPD. Upon signing the Definitive Agreement, the Company will provide WPD with a secured bridge loan for $200,000.

The transaction is subject to regulatory approval and the finalization of a definite agreement.

Schedule "B"

Management Discussion and Analysis of Westcot for the period ended October 31, 2019 and the year ended January 31, 2019

WESTCOT VENTURES CORP.

Management's Discussion & Analysis

Nine Months Ended October 31, 2019 and 2018

(Expressed in Canadian Dollars)

Westcot Ventures Corp. ("the Company" or "Westcot") was incorporated on July 4, 2006 under the laws of the Business Corporations Act (British Columbia). Effective June 17, 2014, the Company's listing was transferred to the NEX board of the TSX Venture Exchange (the "Exchange") due to the Company's failure to maintain the requirements for a TSX Venture Tier 2 company. The Company was listed for trading on the NEX board of the Exchange under the symbol "SPW.H". In September 2017, the Company changed its name to Westcot Ventures Corp. and is listed under the symbol "WET.H". (See Proposed Transaction).

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of the Company for the three months ended October 31, 2019 and is prepared as of November 29, 2019. The MD&A should be read in conjunction with the Company's condensed interim financial statements and related notes for the nine months ended October 31, 2019 and 2018, and with the audited financial statements and related notes for the years ended January 31, 2019, and 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the timing and implementation of the proposed transaction with Far West, estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Stock Consolidation and Share Split

On July 12, 2018, the Company completed a two-for-one forward share split ("Forward Split") of the Company's current issued and outstanding common shares. All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Forward Split, including all such numbers presented for the prior year.

Proposed Transaction

On July 17, 2019, the Company entered into a definitive agreement with WPD Pharmaceuticals Inc. ("WPD") pursuant to which Westcot will, subject to certain conditions, acquire all of the issued and outstanding shares of WPD (collectively, the "Transaction").

The Transaction is an arm's length transaction that is expected to constitute a change of business ("COB") pursuant to Exchange Policy 5.2 – Changes of Business and Reverse Takeovers. It is anticipated that, following the Transaction, the resulting entity will be classified as a Tier 2 life sciences issuer on the Exchange.

WPD is a privately-held biotechnology research and development company, which was incorporated in Poland on September 1, 2017. WPD operates in the pharmaceuticals industry with a focus on oncology in the research and development of medicinal products involving biological compounds and small molecules.

Westcot will acquire all of the issued and outstanding shares of WPD in exchange for 67,000,000 common shares of Westcot. The common shares of the resulting entity will therefore be principally owned by the existing shareholders of WPD. Westcot has agreed to provide WPD with a secured bridge loan for $200,000, subject to Exchange approval. During the period ended October 31, 2019, the bridge loan was issued through two promissory notes for $125,000 on August 6, 2019 and $75,000 on September 10, 2019 respectively. Both promissory notes bear 8% interest and mature six month after advance of the loan. As of October 31, 2019, the calculated interest was $3,195 and included in loan receivable.

The Transaction is subject to regulatory approval.

Risks and Uncertainties

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its proposed business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares. While the Company may generate additional working capital through further equity offerings, there can be no assurance that any such funds will be available on favourable terms, or at all. Failure to raise such additional capital could put the continued viability of the Company at risk.

Financial statements have been prepared assuming the Company will continue on a going concern basis: The financial statements have been prepared on the basis that the Company will continue as a going concern. The Company has not yet achieved profitable operations, has incurred significant operating losses and negative cash flows from operations, and has been reliant on external debt and equity financing. As at October 31, 2019, the Company has accumulated losses of $3,085,766. There is no assurance that the Company will be successful in generating and maintaining profitable operations or in securing future debt or equity financing for its working capital and development activities. Failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would likely differ significantly from their going concern assumption carrying values.

Dependence Upon Others and Key Personnel: The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Share Price Volatility: In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it to fund working capital requirements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the Company not being able to maintain an active business.

Dilution to the Company's existing shareholders: The Company will require additional equity financing to be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Summary of Quarterly Information

Below is selected financial information from continuing operations for the most recent eight quarters. The quarterly results presented in the table below were prepared in accordance with IFRS.

Quarter ended	Loss $	Loss per share $
October 31, 2019	(159,453)	(0.00)
July 31, 2019	(214,370)	(0.01)
April 30, 2019	(139,793)	(0.00)
January 31, 2019	(225,810)	(0.01)
October 31, 2018	(236,546)	(0.01)
July 31, 2018	(150,865)	(0.01)
April 30, 2018	(166,215)	(0.01)
January 31, 2018	(131,963)	(0.01)

Results of Operations

Three months ended October 31, 2019 compared with three months ended October 31, 2018

During the three months ended October 31, 2019, the Company reported a net loss of $159,453 as compared to a net loss of $236,546 during the same period in the prior fiscal year, representing a decrease of $77,093.

Expenses for the three months ended October 31, 2019, were $174,695 compared to $236,243 for the quarter ended October 31, 2018, representing a decrease of $61,548. This was largely related to decrease of consulting fees of $51,162 and transaction costs of $23,264, as well as an increase in professional fees of $13,040.

For the quarter ended October 31, 2019, other items totaled to a net income of $15,242, compared to $Nil for the quarter ended October 31, 2018, representing an increase in income of $15,242. The increase is largely due to interest income of $12,048 on funds in trust.

Nine months ended October 31, 2019 compared with nine months ended October 31, 2018

During the nine months ended October 31, 2019, the Company reported a net loss of $513,616 as compared to a net loss of $553,626 during the same period in the prior fiscal year, representing a decrease of $40,010.

Expenses for the nine months ended October 31, 2019, were $552,429 compared to $551,756 for the period ended October 31, 2018, representing an increase of $673. This was largely related to transaction costs of $157,734 incurred in the current period related to the previously proposed and currently proposed transactions. This increase was partially offset by a decrease in consulting fees of $64,837, a decrease in director fees of $7,000, and a decrease in travel and promotion of $16,914. The decrease in consulting and travel and promotion is related to the fact that the Company is no longer searching for a potential transaction, having entered into the agreement with WPD. The decrease in director fees is related to a decrease in the average number of directors during the period.

For the period ended October 31, 2019, other items totaled to a net income of $38,813, compared to $Nil for the period ended October 31, 2018, representing an increase in income of $38,813. The increase is largely due to interest income of $35,600 on funds in trust.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds. The Company has financed its operations and met its capital requirements primarily through short-term loans, convertible debentures, the issuance of capital stock by way of private placements and the exercise of share purchase warrants previously issued.

As at October 31, 2019, the Company had working capital of $460,302 compared to $973,918 at January 31, 2019.

Although the Company has previously been successful in raising the funds required for its operations, 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 in the future.

Summary of Outstanding Share Data

As at October 31, 2019, there were 32,120,392 shares issued and outstanding and no warrants outstanding.

In addition, at October 31, 2019, 7,899,996 subscription receipts were outstanding. Each subscription receipt will be converted into one unit of the Company. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to obtain an additional common share of the Company at a price of $0.50 for a period of 24 months from the date of issuance.

As at the date of this MD&A, there were 32,120,392 shares and 7,899,996 subscription receipts issued and outstanding.

Related Party Transactions

Details of transactions between the Company and related parties are described as follows.

The Company incurred the following transactions with directors, officers or companies controlled by officers during the periods ended October 31, 2019 and 2018:

	2019	2018
	$	$
Management fees to CEO	48,000	6,000
Management fees to CFO	11,428	4,500
Management fees to former CEO	3,000	30,000
Directors fees	8,000	15,000
	70,428	64,500

Related Party Balances

The following related party amounts were reflected in the statement of financial position as at October 31, 2019 and January 31, 2019:

	October 31, 2019	January 31, 2019
	$	$
Interest payable to a former CEO	(243)	(243)
Accounts payable to a former CEO	(150)	(100)
Accounts payable to CFO	(4,500)	-
Accrued liabilities to directors	(3,400)	(7,825)
Due to shareholders	-	(48,175)
Due from shareholder	49,984	49,984
	41,691	(6,359)

Critical Accounting Estimates

In the application of the Company's accounting policies which are described in Note 2 of the Company's annual audited financial statements as at and for the year ended January 31, 2019, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements relate to deferred tax assets, share-based compensation and going concern.

New Accounting Standards

IFRS 16 – Leases

On February 1, 2019, the Company adopted IFRS 16. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The adoption of IFRS 16 had no impact on the condensed interim financial statements as the Company does not have any leases.

Financial Instruments and Other Instruments

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables, subscription receipts in trust, accounts payable, subscription receipts and accrued interest on convertible debentures. The carrying values of cash, receivables, subscription receipts in trust, accounts payable, subscription receipts and accrued interest approximate their fair values because of their short-term nature and/or the existence of market related interest rates on the instruments. Convertible debentures are measured at amortized cost using the effective interest rate method and their carrying value approximates their fair value. These estimates are subjective and involve uncertainties and matters of significant

judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Instruments Risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes:

(i) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. There can be no assurance that the Company will be successful in generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and development activities.

(iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest on the Company's loans payable and debentures is based on a fixed rate, and as such, the Company is not exposed to significant interest rate risk.

Additional Information

Additional information relating to Westcot Ventures Corp. can be accessed under the Company's public filings found at www.sedar.com.

WESTCOT VENTURES CORP.

Management's Discussion & Analysis

Years Ended January 31, 2019 and 2018

(Expressed in Canadian Dollars)

Westcot Ventures Corp. ("the Company" or "Westcot")) was incorporated on July 4, 2006 under the laws of the Business Corporations Act (British Columbia). Effective June 17, 2014, the Company's listing was transferred to the NEX board of the TSX Venture Exchange (the "Exchange") due to the Company's failure to maintain the requirements for a TSX Venture Tier 2 company. The Company was listed for trading on the NEX board of the Exchange under the symbol "SPW.H". In September 2017, the Company changed its name to Westcot Ventures Corp. and is listed under the symbol "WET.H". (See Proposed Transaction).

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of the Company for the year ended January 31, 2019 and is prepared as of May 30, 2019 in accordance with International Financial Reporting Standards ("IFRS"). The MD&A should be read in conjunction with the Company's audited financial statements and related notes for the years ended January 31, 2019, and 2018, which were prepared in accordance with IFRS.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the timing and implementation of the proposed transaction with Far West, estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Stock Consolidation and Share Split

On September 14, 2017, the Company consolidated its common shares on the basis of one (1) new share for every ten (10) old shares (the "Consolidation"). On July 12, 2018, the Company completed a two-for-one forward share split ("Forward Split") of the Company's current issued and outstanding common shares. All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Consolidation and the Forward Split, including all such numbers presented for the prior year.

Proposed Transaction

On April 26, 2019, the Company entered into a letter of intent ("LOI") with WPD Pharmaceuticals Inc. ("WPD") to complete a transaction pursuant to which Westcot will, subject to certain conditions, acquire all of the issued and outstanding shares of WPD (collectively, the "Transaction").

The Transaction is an arm's length transaction that is expected to constitute a change of business ("COB") pursuant to Exchange Policy 5.2 – Changes of Business and Reverse Takeovers. It is anticipated that, following the Transaction, the resulting entity will be classified as a Tier 2 life sciences issuer on the Exchange.

WPD is a privately-held biotechnology research and development company, which was incorporated in Poland on September 1, 2017. WPD operates in the pharmaceuticals industry with a focus on oncology in the research and development of medicinal products involving biological compounds and small molecules.

The LOI provides that the Company and WPD will negotiate and enter into a definitive agreement in connection with the Transaction (the "Definitive Agreement"), pursuant to which Westcot will acquire all of the issued and outstanding shares of WPD in exchange for 67,000,000 common shares of Westcot. The common shares of the resulting entity will therefore be principally owned by the existing shareholders of WPD. Upon signing the Definitive Agreement, Westcot will provide WPD with a secured bridge loan for $200,000.

Risks and Uncertainties

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its proposed business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares. While the Company may generate additional working capital through further equity offerings, there can be no assurance that any such funds will be available on favourable terms, or at all. Failure to raise such additional capital could put the continued viability of the Company at risk.

Financial statements have been prepared assuming the Company will continue on a going concern basis: The financial statements have been prepared on the basis that the Company will continue as a going concern. The Company has not yet achieved profitable operations, has incurred significant operating losses and negative cash flows from operations, and has been reliant on external debt and equity financing. As at January 31, 2019, the Company has accumulated losses of $2,572,150. There is no assurance that the Company will be successful in generating and maintaining profitable operations or in securing future debt or equity financing for its working capital and development activities. Failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would likely differ significantly from their going concern assumption carrying values.

Dependence Upon Others and Key Personnel: The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Share Price Volatility: In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not

occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it to fund working capital requirements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the Company not being able to maintain an active business.

Dilution to the Company's existing shareholders: The Company will require additional equity financing to be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Selected Annual Results

Year Ended	2019	2018	2017
	$	$	$
Net Loss	779,436	423,383	204,131
Basic and Diluted Loss per Share	(0.04)	(0.07)	(0.08)
Total Assets	3,931,747	408,115	9,224
Total Shareholders' Equity (Deficit)	973,918	311,202	(253,415)

Summary of Quarterly Information

Below is selected financial information from continuing operations for the most recent eight quarters. The quarterly results presented in the table below were prepared in accordance with IFRS.

Quarter ended	Finance Income $	Loss $	Loss per share $
January 31, 2019	-	(225,810)	(0.01)
October 31, 2018	-	(236,546)	(0.01)
July 31, 2018	-	(150,865)	(0.01)
April 30, 2018	-	(166,215)	(0.01)
January 31, 2018	-	(131,963)	(0.01)
October 31, 2017	-	(137,358)	(0.04)
July 31, 2017	-	(81,757)	(0.03)
April 30, 2017	-	(72,305)	(0.03)

The increase in net loss for the quarter ended October 31, 2018 is principally related to transaction costs of $85,000 accrued for a previously proposed change of business transaction which did not complete. The increase in net loss for the quarter ended January 31, 2019 is explained under Results of Operations.

Results of Operations

Three months ended January 31, 2019 compared with three months ended January 31, 2018

During the three months ended January 31, 2019, the Company reported a net loss of $225,810 as compared to a net loss of $131,963 during the same period in the prior fiscal year, representing an increase of $93,847.

Expenses for the three months ended January 31, 2019, were $256,282 compared to $150,405 for the quarter ended January 31, 2018, representing an increase of $105,877. The increase is largely due to higher professional fees of $51,495 and transaction fees of $25,000 incurred in the current period related to the previously proposed transaction which did not complete, as well as an increase in travel costs of $20,509.

For the quarter ended January 31, 2019, other items totaled to a net income of $30,472, compared to $18,442 for the quarter ended January 31, 2018, representing an increase of $12,030. The increase is due to interest income of $19,173 on funds in trust as well as a forgiveness of debt of $11,601 for the current period. This increase was partially offset by a gain on derivative liability earned in the quarter ended January 31, 2018, related to the conversion of the convertible debentures in the prior year.

Year ended January 31, 2019 compared with the year ended January 31, 2018

During the year ended January 31, 2019, the Company reported a net loss of $779,436 as compared to a net loss of $423,383 for the prior fiscal year, representing an increase of $356,053.

Expenses for the year ended January 31, 2019, were $808,038 compared to $422,870 for the year ended January 31, 2018, representing an increase of $385,168. The increase is largely due to an increase in consulting fees of $151,064 incurred in the current period to raise financing and revitalize the Company, an increase in professional fees of $65,879 and transaction costs of $110,000 related to costs incurred with respect to the previously proposed transaction which did not complete, and an increase in travel and promotion costs of $43,360 incurred to raise the profile of the Company in the investing community.

For the year ended January 31, 2019, other items totaled a net income of $28,602, compared to a net expense of $513 for the year ended January 31, 2018, an increase in income of $29,115. The increase is due to lower finance fees of $43,936 in the current year due to the conversion of the majority of the convertible debentures in October 2017. The higher finance fees in the year ended January 31, 2018 were partially offset by a gain on derivative liability of $23,941 related to the debenture conversions.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds. The Company has financed its operations and met its capital requirements primarily through short-term loans, convertible debentures, the issuance of capital stock by way of private placements and the exercise of share purchase warrants previously issued.

As at January 31, 2019, the Company had working capital of $973,918 compared to $320,258 at January 31, 2018.

On August 27, 2018, the Company completed a non-brokered private placement offering of 7,899,996 subscription receipts of the Company, at a price of $0.35 per subscription receipt, for aggregate proceeds of $2,764,999. Share issuance costs of $17,590 were incurred in connection with the private placement. Each subscription receipt will be converted into one unit of the Company. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to obtain an additional common share of the Company at a price of $0.50 for a period of 24 months from the date of issue.

The funds received from the subscription receipts are being held in trust until such time that the Company completes a business transaction. The funds in trust were originally to be used for a proposed business transaction that did not complete. For the year ended January 31, 2019, transaction costs of $110,000 (2018 - $Nil) were recorded in connection with this transaction. If the new business transaction is not completed, the Company must refund the funds to the subscribers.

For the year ended January 31, 2019, interest income of $19,173 (2018 - $Nil) was earned on the funds in trust and is included in other income in the Statement of Operations and Comprehensive Loss.

On July 27, 2018, the Company completed a private placement financing and issued 857,142 units of the Company at a price of $0.35 per unit, for proceeds of $300,000. Each unit consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.50 for a period of twelve months from the date of issue, with an automatic twelve-month extension if the Company is listed on the TSX Venture Exchange.

On March 28, 2018, convertible debentures with a face value of $12,000 were converted to 184,614 units at a price of $0.065 per unit. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.065 per share for a period of one year from the date of issuance.

During the year ended January 31, 2018, 13,574,340 warrants were exercised for gross proceeds of $1,130,152.

Although the Company has previously been successful in raising the funds required for its operations, 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 in the future.

Summary of Outstanding Share Data

As at January 31, 2019, there were 32,120,392 shares issued and outstanding.

The following warrants were outstanding as at January 31, 2019:

Number of Warrants	Exercise Price Per Share	Expiry Date
428,570	$0.50	July 27, 2019

In addition, at January 31, 2019, 7,899,996 subscription receipts were outstanding. Each subscription receipt will be converted into one unit of the Company. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to obtain an additional common share of the Company at a price of $0.50 for a period of 24 months from the date of issuance.

As at the date of this MD&A, there were 32,120,392 shares, 428,570 warrants and 7,899,996 subscription receipts issued and outstanding.

Related Party Transactions

Details of transactions between the Company and related parties are described as follows.

The Company incurred the following transactions with directors, officers or companies controlled by officers during the years ended January 31, 2019 and 2018:

	2019	2018
	$	$
Gain on forgiveness of debt (a former CEO) (Note 7)	-	13,824
Management fees to former CEO's	(42,000)	(59,667)
Management fees to the former CFO	(15,000)	(9,000)
Directors fees	(20,000)	(16,667)
Consulting fees to a shareholder	(98,106)	(63,333)
Interest on debenture to a former CEO (Note 8)	(6)	(237)
Interest on loan to a former CEO (Note 7)	-	(1,735)
	(175,112)	(136,815)

Related Party Balances

The following related party amounts were reflected in the statement of financial position as at January 31, 2019 and January 31, 2018:

	January 31, 2019	January 31, 2018
	$	$
Interest payable to a former CEO (Note 8)	(243)	(237)
Trade payables to a former CEO and former CFO (Note 6)	(100)	-
Accounts payable to the company controlled by the former CFO (Note 6)	-	(4,500)
Accrued liabilities and payables to directors (Note 6)	(7,825)	(9,167)
Loans payable (a former director) (Note 7)	-	(15,559)
Due to shareholders (Note 6)	(48,175)	-
Due from shareholder	49,984	-
	(6,359)	(29,463)

Critical Accounting Estimates

In the application of the Company's accounting policies which are described in Note 2 of the Company's annual audited financial statements as at and for the year ended January 31, 2019, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements relate to deferred tax assets, share-based compensation and going concern.

Accounting Standards Issued But Not Yet Effective

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 - Leases which replaces IAS 17 - Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has determined that adoption of IFRS 16 will have no material impact on the financial statements.

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

Financial Instruments and Other Instruments

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables, subscription receipt in trust, accounts payable, subscription receipt and accrued interest on convertible debentures. The carrying values of cash, receivables, subscription receipt in trust, accounts payable, subscription receipt and accrued interest approximate their fair values because of their short-term nature and/or the existence of market related interest rates on the instruments. Convertible debentures are measured at amortized cost using the effective interest rate method and their carrying value approximates their fair value. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of hierarchy are:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Instruments Risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes:

(i) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. There can be no assurance that the Company will be successful in generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and development activities.

(iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest on the Company's loans payable and debentures is based on a fixed rate, and as such, the Company is not exposed to significant interest rate risk.

Additional Information

Additional information relating to Westcot Ventures Corp. can be accessed under the Company's public filings found at www.sedar.com.

Schedule "C"

Financial Statements of WPD for the year ended December 31, 2018 and the period ended September 30, 2019

WPD Pharmaceuticals

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Director of
WPD Pharmaceuticals

Opinion

We have audited the accompanying financial statements of WPD Pharmaceuticals (the "Company"), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2018 and the period from incorporation on August 21, 2017 to December 31, 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the year ended December 31, 2018 and the period from incorporation on August 21, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss of $927,094 during the year ended December 31, 2018 and, as of that date, the Company's current liabilities exceeded its current assets by $893,984. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Erez Bahar.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada — Chartered Professional Accountants

May 28, 2019

WPD PHARMACEUTICALS
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	December 31, 2018	December 31, 2017
ASSETS		
Current		
Cash	$ 2,481	$ 1,344
Receivables	3,536	9,055
Prepaids and deposits	13,370	-
	19,387	10,399
Intangible assets (Note 4)	220,109	-
Equipment (Note 5)	36,534	-
	$ 276,030	$ 10,399
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities	$ 394,245	$ 17,555
Loans payable (Note 6, 7)	519,126	97,066
	913,371	114,621
Shareholders' deficiency		
Share capital (Note 8)	1,752	1,752
Subscriptions received in advance (Note 8)	404,928	-
Accumulated other comprehensive loss	(13,648)	(2,695)
Deficit	(1,030,373)	(103,279)
	(637,341)	(104,222)
	$ 276,030	$ 10,399

Nature and continuance of operations (Note 1)
Commitments (Note 12)
Subsequent events (Note 14)

Approved and authorized by the Director on May 28, 2019.

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

WPD PHARMACEUTICALS
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year Ended December 31, 2018	Period from inception on August 21, 2017 to December 31, 2017
EXPENSES		
Administration	$ 23,395	$ 110
Consultants	598,348	80,976
Amortization and depreciation (Notes 4, 5)	9,598	-
Foreign exchange	27,913	-
Interest	33,038	-
Salaries (Note 7)	234,389	14,017
Supplies	23,730	-
Taxes and fees	10,884	9,210
	(961,295)	(104,313)
Other income (Note 13)	34,201	1,034
Loss for the period	(927,094)	(103,279)
Foreign exchange translation adjustment	(10,953)	(2,695)
Loss and comprehensive loss for the period	$ (938,047)	$ (105,974)
Basic and diluted loss per common share	$ (9,271)	$ (1,033)
Weighted average number of common shares outstanding	100	100

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

WPD PHARMACEUTICALS
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	December 31, 2018	Period from inception on August 21, 2017 to December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (927,094)	$ (103,279)
Items not affecting cash		
Amortization and depreciation	9,598	-
Non-cash working capital item changes:		
Receivables, prepaids and deposits	(7,693)	(8,821)
Accounts payable and accrued liabilities	307,366	17,101
Net cash used in operating activities	(617,823)	(94,999)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangibles	(158,198)	-
Acquisition of equipment	(40,155)	-
Net cash used in investing activities	(198,353)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	1,752
Subscriptions received in advance	404,928	-
Proceeds from loans	416,720	94,556
Net cash provided by financing activities	821,648	96,308
Effect of foreign exchange on cash	(4,335)	35
Change in cash for the period	1,137	1,344
Cash, beginning of period	1,344	-
Cash, end of period	$ 2,481	$ 1,344
Non-cash investing activities:		
Acquisition of intangible assets included in accrued liabilities	65,121	-

No cash was paid for interest or taxes for the periods ended December 31, 2018 and 2017.

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

WPD PHARMACEUTICALS
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars)

	Share Capital					
	Number	**Amount**	**Subscriptions received in advance**	**Cumulative translation adjustment**	**Deficit**	**Total**
Balance, August 21, 2017	-	$ -	$ -	$ -	$ -	$ -
Shares issued for cash	100	1,752	-	-	-	1,752
Comprehensive loss for the period	-	-	-	(2,695)	(103,279)	(105,974)
Balance, December 31, 2017	100	1,752	-	(2,695)	(103,279)	(104,222)
Funds received in advance	-	-	404,928	-	-	404,928
Comprehensive loss for the year	-	-	-	(10,953)	(927,094)	(938,047)
Balance, December 31, 2018	100	$ 1,752	$ 404,928	$ (13,648)	$ (1,030,373)	$ (637,341)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

WPD Pharmaceuticals (the "Company" or "WPD") is a privately-held research and development company incorporated in Poland under the Code of Commercial Companies on August 21, 2017. The Company is principally engaged in the research and development of innovative medicinal products in the field of oncology. The head office, records office, and principal address of the Company is Zwirki I Wigury 101, 02-089 Warsaw Poland.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company incurred a net loss of $927,094 during the year ended December 31, 2018 and, as of that date, the Company's current liabilities exceeded its current assets by $893,984. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These events and conditions indicate that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements, including comparatives have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These financial statements are presented in Canadian dollars, the Company's presentation currency. The functional currency of the Company is the Polish Zloty ("PLN").

Assets and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the date of that statement of financial position. This would include any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as part of the assets and liabilities of the foreign operation;

• Income and expenses for each income statement (including comparatives) are translated at exchange rates approximately at the dates of the transactions; and

• All resulting exchange differences are recognized in other comprehensive income.

2. BASIS OF PREPARATION (cont'd…)

Functional and Presentation Currency (cont'd…)

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date of acquisition. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Significant Accounting Judgments and Estimates

The Company makes estimates and judgements about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions that have been made, relate to the following key estimates:

Intangible Assets – cost

Management exercises judgment in determining which payments made under its license agreements qualify as a capitalizable cost under the Company's Intangible Asset policy in accordance with IAS 38. In making this determination management determined that license fees as well as cost reimbursements for maintenance of the patents would be capitalized, while any future royalty payments made under the license agreement are not components of cost.

Intangible Assets – impairment

The application of the Company's accounting policy for intangible assets expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on a straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

2. BASIS OF PREPARATION (cont'd…)

Significant Accounting Judgments and Estimates (cont'd…)

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions within the reporting entity.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Recognition of other income

Pursuant to the terms of the Company's grant from the National Centre of Research and Development in Poland, the Company has met certain terms and conditions as detailed in Note 13 to qualify for the grant funding. The Company has therefore recognized in profit or loss, as recoveries of research and development expenditures, a portion of the grant that represents expenses the Company has incurred to date under the grant parameters. Management exercised judgement in determining whether the Company has met the relevant conditions attached to grants received. The expenses are subject to assessment by National Centre of Research and Development for compliance with the grant regulations which may result in certain expenses being denied.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets

The Company classified its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of (loss) income in the period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Financial assets (cont'd…)

Financial assets at FVTOCI: Financial assets carried at FVTPL are recorded at fair value and transaction costs are expensed in the statement (loss) income. Realized and unrealized gains and losses arising from changes in fair value of the financial assets held at FVTPL are included in the statement (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets :

Financial asset	IFRS 9 Classification
Cash	Fair value through profit or loss
Accounts receivable	Amortized cost
Long term investment	Fair value through profit or loss

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities - This category includes accounts payable and accrued liabilities, secured convertible debentures and flow-through obligation, all of which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of operations and comprehensive losses immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

The following table shows the classification of the Company's financial liabilities under IFRS 9:

Financial asset	IFRS 9 Classification
Accounts payable and accrued liabilities	Other financial liabilities
Loans payable	Other financial liabilities

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Equipment

The Company acquired office and medical equipment for use in its research and business activities. Depreciation has been recognized using the declining balance method at the rate of 20% per annum.

Intangible assets

The Company owns intangible assets consisting of a license agreement for use of patents. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

The Company does not hold any intangible assets with indefinite lives.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized profit and loss

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, which for patents is generally a period of 20 years.

Impairment of long-lived assets

The Company's long-lived assets are reviewed for indications of impairment at the date of preparing each statement of financial position. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying value of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets. For the purpose of impairment testing, the Company determined it has one cash-generating unit.

The recoverable amount is the greater of the asset's fair value less cost to sell and value in use. In assessing fair value less cost to sell for the cash-generating unit, the Company's market capitalization is considered.

Provisions

Provisions are recorded when a present legal, statutory or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, if the effect is material, its carrying amount is the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Government assistance

Government grants, including grants from similar bodies, consisting of investment tax credits are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Research grants that compensate the Company for expenses incurred are recognized in profit or loss in reduction thereof on a systematic basis in the same years in which the expenses are recognized. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

Research and development costs

Expenditures on research and development activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Investment tax credits related to current expenditures are included in the determination of net income as the expenditures are incurred when there is reasonable assurance they will be realized.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. These criteria will be deemed by the Company to have been met when revenue is received by the Company and a determination that it has sufficient resources to market and sell its product offerings. Upon a determination that the criteria to capitalize development expenditures have been met, the expenditures capitalized will include the cost of materials, direct labour, and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditures will be expensed as incurred.

Capitalized development expenditures will be measured at cost less accumulated amortization and accumulated impairment losses. No development costs have been capitalized to date.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants, and similar instruments is computed using the treasury stock method. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes (cont'd…)

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

New standards not yet adopted

Certain pronouncements were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2019. They have not been early adopted in these financial statements. In all cases the Company intends to apply these standards from application date as indicated below:

IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company will adopt the standard effective January 1, 2019 using a modified retrospective approach and applying the transition method that does not require adjustments to comparative periods nor require modified disclosures in the comparative periods. The company will elect the package of practical expedients to not reassess whether a contract is or contains a lease, lease classification and initial direct costs for contracts that expired or existed prior to the effective date. As the lessee to material operating leases, the standard will have a material impact on the Company's statement of financial position, but will not have an impact on its statements of loss and comprehensive loss. While the adoption remains in progress, the Company expects that the most significant impact will be the recognition of right-of-use assets and lease liabilities for the Company's operating leases. The Company has completed its process to identify the population of lease arrangements and it is nearing the completion of applying the new leasing standard to each arrangement. The Company has also determined the incremental borrowing rate for each agreement.

IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's financial statements.

(Expressed in Canadian Dollars)

4. INTANGIBLE ASSETS

	For the year ended December 31, 2018 $
Cost	-
Balance at January 1, 2018	-
Additions	223,319
Cumulative translation adjustment	2,373
Balance at December 31, 2018	225,692
Amortization	
Balance at January 1, 2018	-
Additions	5,583
Balance at December 31, 2018	5,583
Carrying Value as at December 31, 2017	-
Carrying Value as at December 31, 2018	220,109

On November 28, 2017 the Company signed a license agreement ("Wake Forest License Agreement") with Wake Forest University Health Sciences ("WFUHS") granting the Company an exclusive, worldwide, royalty-bearing license under certain patented and patent-pending technologies for the diagnosis and treatment of glioblastoma multiforme, to make, use, import, offer for sale and sell licensed pharmaceutical products, including the right to sublicense its rights under the Wake Forest License Agreement, subject to WFUHS' retained right to make, have made, and use licensed products solely for non-commercial, educational, academic, and research purposes. The term of the Wake Forest License Agreement is for the life of the licensed patents.

Under the Wake Forest License Agreement, WPD agreed to make an up-front payment of USD$50,000 (paid) and an annual fee payment of USD$10,000 during the term of the Wake Forest License Agreement. WPD also agreed to make certain milestones and milestone payments to WFUHS, including payment of the following: (i) USD$75,000 upon filing the first investigational new drug application with the U.S. Food and Drug Administration (or non-U.S. major market equivalent); (ii) USD$150,000 upon enrolling the first patient in the first clinical trial that is designed to study efficacy and longer term safety of a product licensed under the Wake Forest License Agreement; and (iii) USD$750,000 upon first commercial sale of a licensed product in a Major Market (as defined in the Wake Forest License Agreement) in which the licensed product is covered by a valid claim of a licensed patent.

WPD is also subject to numerous royalty payments under the agreement, which arise under various conditions such as the sale of a licensed product, and/or sublicense revenue being received. WPD also agreed to reimburse WFUHS for expenses incurred related to the licensed payments with 6 equal payments of USD$47,880 due April 1 and October 1 of each year (the first such payment has been made, and the second accrued in liabilities as at December 31, 2018).

In addition, as part of the consideration under the Wake Forest License Agreement, WPD agreed that, on the date that WPD completes the issuance and sale of equity, equity-linked, or convertible debt securities for cumulative gross proceeds of at least USD$2,000,000, WPD shall issue (or sell or cause to be sold) to WFUHS shares of its common stock, $0.001 par value per share, such that WFUHS will hold, in aggregate, 6.0% of WPD's outstanding common stock calculated on a fully diluted basis.

(Expressed in Canadian Dollars)

4. INTANGIBLE ASSETS (cont'd…)

On October 10, 2018 the Company entered into an agreement with Animal Life Sciences, LLC ("ALS") to sublicense patent rights obtained under the WFUHS agreement. In consideration for sublicensing these rights, WPD received a 7.14% equity stake in ALS. Animal Life Sciences was formed as a limited liability company in the State of Nevada on August 22, 2018. ALS was established as a pharmaceutical and nutritional development company focused on the licensing, development and commercialization of safe and effective treatments for pet animals based on human cancer technologies. ALS has not presently undertaken any business operations, however, it has entered into sub-license agreements with three minority members, including WPD, pertaining to certain prospective technologies that those members have recently licensed from health research institutions.

As ALS has no operations and no significant identifiable assets, the Company considers the fair value of its investment to be $Nil at December 31, 2018. ALS is considered a related party as its controlling shareholder is also a founding shareholder of the Company.

5. EQUIPMENT

	For the year ended December 31, 2018 $
Cost	-
Balance at January 1, 2018	-
Additions	40,155
Cumulative translation adjustment	394
Balance at December 31, 2018	40,549
Depreciation	
Balance at January 1, 2018	-
Additions	4,015
Balance at December 31, 2018	4,015
Carrying Value as at December 31, 2017	-
Carrying Value as at December 31, 2018	36,534

6. LOANS PAYABLE

The Company has received loans payable from various private lenders, some of which include related parties (Note 7). The loans are all due within 12 months of December 31, 2018 and therefore have been classified as current on the statement of financial position. The loans bear interest rates of 10% per annum and are unsecured. Subsequent to December 31, 2018 agreements were made to settle certain loans with shares of the Company (Note 14).

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the year ended December 31, 2018, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

	For the period ended December 31,	
	2018	**2017**
	$	**$**
Salaries (CEO)	43,000	-

As at December 31, 2018, USD$305,000 of loans payable were extended by a controlling shareholder of the Company (2017 - USD$76,000). The terms of these loans are described in Note 6.

8. SHAREHOLDERS' EQUITY

Authorized

The Company has an authorized share structure consisting of 100 currently issued and outstanding shares. Further share issuances will have to be approved and registered with the registry court in Poland prior to being finalized.

Issued share capital

To date the only share issuance was the 100 seed shares issued on incorporation of the Company.

Subscriptions received in advance

During the year ended December 31, 2018 the Company collected $404,928 in subscriptions for 600 shares of the Company. These shares will be issued upon the share capital increase being approved and registered by the Polish court.

(Expressed in Canadian Dollars)

9. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	2018	2017
Loss for the year before income tax	$ (938,047)	$ (105,974)
Expected income tax recovery	$ 178,229	$ 20,135
Change in unrecognized deductible temporary differences	(178,229)	(20,135)
Total income tax (recovery)	$ -	$ -

The significant components of the Company's unrecognized temporary tax differences are as follows:

	2018	2017
Non-capital losses	$1,043,000	$105,000

Operating losses carried forward as at December 31, 2018 expire from 2022 – 2023.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the research and development of innovative medicinal products in the field of oncology. All of the Company's long-lived assets are located in Poland.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is classified as fair value through profit or loss. Receivables are classified as amortized cost. Accounts payable and accrued liabilities and loan payable are classified as other financial liabilities.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company's receivables are primarily due to trade receivables and value added taxes. The Company limits its exposure to credit loss by placing its cash with major financial institutions. Credit risk with respect to value added taxes is minimal as the amounts are due from government agencies.

The Company has no investment in asset backed commercial paper.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2018, the Company had negative working capital of $(893,984). The Loans payable are all due within 12 months. The Company does not generate revenue and will be reliant on external financing to fund operations and repay the debt. Debt and equity financing are dependent on market conditions and may not be available on favorable terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

As at December 31, 2018, the Company has cash balances which are interest bearing. Interest income is not significant to the Company's projected operational budget and related interest rate fluctuations are not significant to the Company's risk assessment.

The Company's loans payable are interest-bearing debt at a fixed rate and therefore not subject to interest rate risk.

b) Foreign currency risk

The Company's foreign currency risk exposure relates to net monetary assets denominated in Polish Zloty. A 10% change in the foreign exchange rate between the Canadian and Polish Zloty would result in a fluctuation of $92,000 (2017 - $10,000) in the net loss realized for the year. The Company does not currently engage in hedging activities.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Capital management

The Company considers its capital to include working capital, loan payable and the components of shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms. Future financings are dependent on market conditions and the ability to identify sources of investment. There can be no assurance the Company will be able to raise funds in the future.

12. COMMITMENTS

The Company has made the following commitments:

- The Company is subject to multiple future payments under the terms of the Wake Forest License Agreement outlined in detail in Note 4. Some of these are fixed payments, some are dependent on future milestones or events as outlined in Note 4;
- The Company is party to a lease agreement with Warsaw University for rental of a premises for total payment of $11,575 per year (underlying currency of the contract is PLN), plus the cost of internet, telephones, cleaning and waste disposal. The contract is for 12 months;
- The Company is party to another lease agreement with Warsaw University for use of laboratory equipment. Access to equipment is guaranteed for a minimum of 540 hours over 12 months, at a rate of approximately $350 per hour (underlying currency of the contract is PLN). The contract is for a 12 month term.
- The Company is party to a lease agreement with Wroclaw Technology Park (WPT) for laboratory infrastructure. The company will lease a laboratory room for $41,304 per year (underlying currency of the contract is PLN), plus operating costs, which will be co-financed by the Company's grants (Note 13), for a term of two years.
- The Company is party to a lease agreement with Deutche Leasing for a period of two years. The Company will lease equipment for $36,684 per year (underlying currency of the contract is PLN). The contract is for a two year term;
- The Company made commitments in connection with the Moleculin Biotech Sublicense described in Note 14.

13. OTHER INCOME

The Company's other income is the result of funds received from government grants.

On February 20, 2018 the Company received notice it had been awarded a grant (the "WP101 Grant") in the amount of 21,400,477 PLN from the European Union, European Regional Development Fund under the Smart Growth Operational Programme, implemented under the National Center for Research and Development (the "NCRD") for development of its drug used in the treatment of glioblastoma multiforme ("GBM").

Receiving the WPD101 Grant from NCRD is subject to a number of conditions including: Polish and EU regulation for small and medium enterprises (SME) and Polish and EU grant regulation. There can be no assurances that the Company will continue to meet the necessary conditions of the NCRD, satisfactorily achieve milestones, or that NCRD will continue to advance additional funds to the Company.

If the Company is found to have used any grant proceeds for purposes other than intended, is in violation of the terms of the grant, then the Company is required to repay any grant proceeds received with interest.

During the year ended December 31, 2018 the Company recognized $34,201 in other income associated with amounts received for the WP101 Grant as management believes they have satisfied all conditions related to this income. As at December 31, 2018, the Company has not received any additional funding under the WP101 Grant which has not been recognized into profit and loss due to unfulfilled conditions or other contingencies.

14. SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2018:

- On January 31, 2019, the Company received notice that it had been awarded a grant (the "WPD104 Grant") in the amount of 22,033,066 PLN from the European Union, the European Regional Development Fund under the Smart Growth Operational Programme, implemented under the NCRD for development of its drug berubicin hydrochloride for injection as a novel drug in GBM therapy for children and adults patients.

  Receiving the WPD104 Grant from NCRD is subject to a number of conditions including: Polish and EU regulation for small and medium enterprises (SME) and Polish and EU grant regulation. There can be no assurances that the Company will continue to meet the necessary conditions of the NCRD, satisfactorily achieve milestones, or that NCRD will continue to advance additional funds to the Company.

- Subsequent to December 31, 2018 the Company signed multiple agreements to convert loans from related parties into common shares of the Company. In total, 17,079 common shares will be issued under such agreements, in exchange for settlement of $309,402 (PLN 853,950) of loans.

  In addition, a total of 600 common shares will be issued under share subscriptions received prior to December 31, 2018.

  The above described shares cannot be issued by the Company until approved by and registered with the Polish court.

- WPD entered into a sublicense agreement (the "Moleculin Sublicense Agreement") with Moleculin Biotech Inc. ("MBI") effective February 19, 2019, granting WPD an exclusive royalty-bearing sublicense under a number of MBI's patented and patent-pending technologies to research, develop, manufacture, have manufactured, use, import, offer to sell and/or sell pharmaceutical drug products in a number of European countries, subject to current license agreements. The term of the Moleculin Sublicense Agreement is for the life of the sublicensed patents. Under the Moleculin Sublicense Agreement, WPD agreed to expend USD $4 million in research, development and commercialization expenditures, and to make certain milestone and royalty payments on future revenues.

WPD Pharmaceuticals

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

WPD PHARMACEUTICALS
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT

	September 30, 2019	December 31, 2018 (audited)
ASSETS		
Current		
Cash	$ 7,805	$ 2,481
Receivables	2,529	3,536
Prepaids and deposits	-	13,370
	10,334	19,387
Right of use asset (Note 9)	109,060	-
Intangible assets (Note 4)	267,745	220,109
Equipment (Note 5)	29,451	36,534
	$ 416,590	$ 276,030
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities	$ 1,350,163	$ 394,245
Loans payable (Note 6, 7)	735,789	519,126
Lease liability (Note 9)	85,540	-
	2,171,492	913,371
Lease liability (Note 9)	27,066	-
	2,198,558	913,371
Shareholders' deficiency		
Share capital (Note 8)	1,752	1,752
Subscriptions received in advance (Note 8)	404,928	404,928
Accumulated other comprehensive loss	28,733	(13,648)
Deficit	(2,217,381)	(1,030,373)
	(1,781,968)	(637,341)
	$ 416,590	$ 276,030

Nature and continuance of operations (Note 1)
Commitments (Note 12)

Approved and authorized by the Director on December 12, 2019.

WPD PHARMACEUTICALS
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
EXPENSES				
Administration	$ 10,775	$ 3,336	$ 24,656	$ 3,336
Consultants	461,483	163,006	730,354	274,847
Amortization and depreciation (Notes 4, 5)	26,378	23,522	79,135	28,321
Interest	23,011	15,204	69,033	15,204
Salaries (Note 7)	229,069	142,947	338,295	142,947
Supplies	63,844	12,971	77,695	12,971
Taxes and fees	5,019	12,302	7,768	12,302
	(819,579)	(373,288)	(1,326,936)	(489,928)
Other income (Note 13)	12,905	-	139,928	-
Loss for the period	(806,674)	(373,288)	(1,187,008)	(489,928)
Foreign exchange translation adjustment	14,127	(583)	42,381	(1,750)
Loss and comprehensive loss for the period	$ (792,547)	$ (373,871)	$ (1,144,627)	$ (491,678)
Basic and diluted loss per common share	$ (8,067)	$ (3,733)	$ (11,870)	$ (4,899)
Weighted average number of common shares outstanding	100	100	100	100

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

WPD PHARMACEUTICALS
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30,
(Unaudited - Expressed in Canadian Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,187,008)	$ (489,928)
Items not affecting cash		
Amortization and depreciation	79,135	28,321
Interest expense	69,033	-
Non-cash working capital item changes:		
Receivables, prepaids and deposits	13,513	(5,770)
Accounts payable and accrued liabilities	979,168	230,525
Net cash used in operating activities	(46,159)	(236,852)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangibles	-	(118,649)
Acquisition of equipment	-	(30,116)
Net cash used in investing activities	-	(148,765)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash payments against lease obligation	(72,125)	-
Subscriptions received in advance	-	404,928
Proceeds from loans	200,000	271,700
Net cash provided by financing activities	127,875	676,628
Effect of foreign exchange on cash	(76,392)	(3,251)
Change in cash for the period	5,324	287,760
Cash, beginning of period	2,481	1,344
Cash, end of period	$ 7,805	$ 289,104
Supplemental information with respect to cash flows:		
Intangible asset additions in accounts payable	62,244	-
Initial recognition of Right of Use Asset and Lease Liability	171,290	-

No cash was paid for interest or taxes for the periods ended September 30, 2019 and 2018.

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

WPD PHARMACEUTICALS
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Unaudited - Expressed in Canadian Dollars)
FOR THE NINE MONHTS ENDED SEPTEMBER 30,

	Share Capital					
	Number	Amount	Subscriptions received in advance	Cumulative translation adjustment	Deficit	Total
Balance, December 31, 2017	100	$ 1,752	$ -	$ (2,695)	$ (103,279)	$ (104,222)
Comprehensive loss for the year	-	-	-	(1,750)	(489,928)	(491,678)
Balance September 30, 2018	100	$ 1,752	$ -	$ (4,445)	$ (593,207)	$ (595,900)
Balance, December 31, 2018	100	1,752	404,928	(13,648)	(1,030,373)	(637,341)
Comprehensive loss for the period	-	-	-	42,381	(1,187,008)	(1,144,627)
Balance September 30, 2019	100	$ 1,752	$ 404,928	$ 28,733	$ (2,217,381)	$ (1,781,968)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

WPD Pharmaceuticals (the "Company" or "WPD") is a privately-held research and development company incorporated in Poland under the Code of Commercial Companies on August 21, 2017. The Company is principally engaged in the research and development of innovative medicinal products in the field of oncology. The head office, records office, and principal address of the Company is Zwirki I Wigury 101, 02-089 Warsaw Poland.

These condensed interim financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company incurred a net loss of $1,187,008 during the period ended September 30, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by $2,161,158. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These events and conditions indicate that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2018, except for the following:

Leases

On January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease liabilities related to its lease commitments for its office leases. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at January 1, 2019, the date of initial application, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The Company has implemented the following accounting policies permitted under the new standard:

- leases of low dollar value will continue to be expensed as incurred; and
- the Company will not apply any grandfathering practical expedients.

2. BASIS OF PREPARATION (cont'd)

Statement of Compliance (cont'd)

As at January 1, 2019, the Company recognized $171,290 in right-of-use assets and $171,290 in lease liabilities.

New accounting policy for leases under IFRS 16

The following is the accounting policy for leases as of January 1, 2019 upon adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

2. BASIS OF PREPARATION (cont'd)

Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These financial statements are presented in Canadian dollars, the Company's presentation currency. The functional currency of the Company is the Polish Zloty ("PLN").

Assets and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the date of that statement of financial position. This would include any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as part of the assets and liabilities of the foreign operation;

• Income and expenses for each income statement (including comparatives) are translated at exchange rates approximately at the dates of the transactions; and

• All resulting exchange differences are recognized in other comprehensive income.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date of acquisition. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Significant Accounting Judgments and Estimates

The Company makes estimates and judgements about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions that have been made, relate to the following key estimates:

2. BASIS OF PREPARATION (cont'd…)

Significant Accounting Judgments and Estimates (cont'd…)

Intangible Assets – cost

Management exercises judgment in determining which payments made under its license agreements qualify as a capitalizable cost under the Company's Intangible Asset policy in accordance with IAS 38. In making this determination, management determined that license fees as well as cost reimbursements for maintenance of the patents would be capitalized, while any future royalty payments made under the license agreement are not components of cost.

Intangible Assets – impairment

The application of the Company's accounting policy for intangible asset expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on a straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions within the reporting entity.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Recognition of other income

Pursuant to the terms of the Company's grant from the National Centre of Research and Development in Poland, the Company has met certain terms and conditions as detailed in Note 13 to qualify for the grant funding. The Company has therefore recognized in profit or loss, as recoveries of research and development expenditures, a portion of the grant that represents expenses the Company has incurred to date under the grant parameters. Management exercised judgement in determining whether the Company has met the relevant conditions attached to grants received. The expenses are subject to assessment by National Centre of Research and Development for compliance with the grant regulations which may result in certain expenses being denied.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets

The Company classified its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Financial assets carried at FVTPL are recorded at fair value and transaction costs are expensed in the statement (loss) income. Realized and unrealized gains and losses arising from changes in fair value of the financial assets held at FVTPL are included in the statement (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets :

Financial asset	IFRS 9 Classification
Cash	Fair value through profit or loss
Receivables	Amortized cost
Long term investment	Fair value through profit or loss

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities - This category includes accounts payable and accrued liabilities, secured convertible debentures and flow-through obligation, all of which are recognized at amortized cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial liabilities

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of operations and comprehensive losses immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

The following table shows the classification of the Company's financial liabilities under IFRS 9:

Financial asset	IFRS 9 Classification
Accounts payable and accrued liabilities	Other financial liabilities
Lease liability	Other financial liabilities
Loans payable	Other financial liabilities

(Unaudited - Expressed in Canadian Dollars)

4. INTANGIBLE ASSETS

	For the period ended September 30, 2019
	$
Cost	
Balance at December 31, 2018	225,692
Additions	62,244
Cumulative translation adjustment	(6,145)
Balance at September 30, 2019	281,791
Amortization	
Balance at December 31, 2018	5,583
Additions	8,463
Balance at September 30, 2019	14,046
Carrying Value as at December 31, 2018	220,109
Carrying Value as at September 30, 2019	267,745

On November 28, 2017 the Company signed a license agreement ("Wake Forest License Agreement") with Wake Forest University Health Sciences ("WFUHS") granting the Company an exclusive, worldwide, royalty-bearing license under certain patented and patent-pending technologies for the diagnosis and treatment of glioblastoma multiforme, to make, use, import, offer for sale and sell licensed pharmaceutical products, including the right to sublicense its rights under the Wake Forest License Agreement, subject to WFUHS' retained right to make, have made, and use licensed products solely for non-commercial, educational, academic, and research purposes. The term of the Wake Forest License Agreement is for the life of the licensed patents.

Under the Wake Forest License Agreement, WPD agreed to make an up-front payment of USD$50,000 (paid) and an annual fee payment of USD$10,000 during the term of the Wake Forest License Agreement. WPD also agreed to make certain milestones and milestone payments to WFUHS, including payment of the following: (i) USD$75,000 upon filing the first investigational new drug application with the U.S. Food and Drug Administration (or non-U.S. major market equivalent); (ii) USD$150,000 upon enrolling the first patient in the first clinical trial that is designed to study efficacy and longer term safety of a product licensed under the Wake Forest License Agreement; and (iii) USD$750,000 upon first commercial sale of a licensed product in a Major Market (as defined in the Wake Forest License Agreement) in which the licensed product is covered by a valid claim of a licensed patent.

WPD is also subject to numerous royalty payments under the agreement, which arise under various conditions such as the sale of a licensed product, and/or sublicense revenue being received. WPD also agreed to reimburse WFUHS for expenses incurred related to the licensed payments with 6 equal payments of USD$47,880 due April 1 and October 1 of each year (the first such payment has been made, the second accrued in liabilities as at December 31, 2018 and the third accrued in liabilities as at September 30, 2019).

In addition, as part of the consideration under the Wake Forest License Agreement, WPD agreed that, on the date that WPD completes the issuance and sale of equity, equity-linked, or convertible debt securities for cumulative gross proceeds of at least USD$2,000,000, WPD shall issue (or sell or cause to be sold) to WFUHS shares of its common stock, $0.001 par value per share, such that WFUHS will hold, in aggregate, 6.0% of WPD's outstanding common stock calculated on a fully diluted basis.

(Unaudited - Expressed in Canadian Dollars)

4. INTANGIBLE ASSETS (cont'd…)

On October 10, 2018 the Company entered into an agreement with Animal Life Sciences, LLC ("ALS") to sublicense patent rights obtained under the WFUHS agreement. In consideration for sublicensing these rights, WPD received a 7.14% equity stake in ALS. Animal Life Sciences was formed as a limited liability company in the State of Nevada on August 22, 2018. ALS was established as a pharmaceutical and nutritional development company focused on the licensing, development and commercialization of safe and effective treatments for pet animals based on human cancer technologies. ALS has not presently undertaken any business operations, however, it has entered into sub-license agreements with three minority members, including WPD, pertaining to certain prospective technologies that those members have recently licensed from health research institutions.

As ALS has no operations and no significant identifiable assets, the Company considers the fair value of its investment to be $Nil at September 30, 2019. ALS is considered a related party as its controlling shareholder is also a founding shareholder of the Company.

5. EQUIPMENT

	For the period ended September 30, 2019
	$
Cost	
Balance at December 31, 2018	40,549
Additions	-
Cumulative translation adjustment	(3,081)
Balance at September 30, 2019	37,468
Depreciation	
Balance at December 31, 2018	4,015
Additions	4,002
Balance at September 30, 2019	8,017
Carrying Value as at December 31, 2018	36,534
Carrying Value as at September 30, 2019	29,451

6. LOANS PAYABLE

The Company has received loans payable from various private lenders, some of which include related parties (Note 7). The loans are all due within 12 months of December 31, 2018 and therefore have been classified as current on the statement of financial position. The loans bear interest rates of 10% per annum and are unsecured. During the period ended September 30, 2019 agreements were made to settle certain loans with shares of the Company, these shares have not yet been issued.

During the period ended September 30, 2019, the Company signed multiple agreements to convert loans from related parties into common shares of the Company. In total, 17,079 common shares will be issued under such agreements, in exchange for settlement of $309,402 (PLN 853,950) of loans.

During the period ended September 30, 2019, the Company also received a secured bridge loan in the amount of $200,000, bearing interest at a rate of 8% per annum, due on demand.

(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the period ended September 30, 2019, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

	For the period ended September 30,	
	2019	**2018**
	$	**$**
Salaries (CEO)	31,500	31,500
Consulting fees (CFO)	21,000	-

As at December 31, 2018 and September 30, 2019, USD$305,000 of loans payable were extended by a controlling shareholder of the Company (2017 - USD$76,000). The terms of these loans are described in Note 6.

8. SHAREHOLDERS' EQUITY

Authorized

The Company has an authorized share structure consisting of 100 currently issued and outstanding shares. Further share issuances will have to be approved and registered with the registry court in Poland prior to being finalized.

Issued share capital

To date the only share issuance was the 100 seed shares issued on incorporation of the Company.

Subscriptions received in advance

During the year ended December 31, 2018 the Company collected $404,928 in subscriptions for 600 shares of the Company. These shares will be issued upon the share capital increase being approved and registered by the Polish court. As at September 30, 2019, the Company is still awaiting this approval.

(Unaudited - Expressed in Canadian Dollars)

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use Assets

		Leases
Cost:		
At December 31, 2018	$	-
Adjustment on initial adoption of IFRS 16 (Note 2)		171,290
Cumulative translation adjustment		4,440
At September 30, 2019		175,730
Depreciation:		
At December 31, 2018	$	-
Depreciation		66,670
At September 30, 2019		66,670
Net book value:		
At December 31, 2018	$	-
At September 30, 2019	$	109,060

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease team.

Lease liabilities

		Office Lease
Lease liabilities recognized as at January 1, 2019	$	171,290
Lease payments made		(72,125)
Interest expense		15,838
Cumulative translation adjustment		(2,397)
		112,606
Less: current portion		(85,540)
At September 30, 2019	$	27,066

10. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the research and development of innovative medicinal products in the field of oncology. All of the Company's long-lived assets are located in Poland.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is classified as fair value through profit or loss. Receivables are classified as amortized cost. Accounts payable and accrued liabilities, loan payable and leases are classified as other financial liabilities.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company's receivables are primarily due to trade receivables and value added taxes. The Company limits its exposure to credit loss by placing its cash with major financial institutions. Credit risk with respect to value added taxes is minimal as the amounts are due from government agencies.

The Company has no investment in asset backed commercial paper.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company had negative working capital of $(2,161,158). The Loans payable are all due within 12 months. The Company does not generate revenue and will be reliant on external financing to fund operations and repay the debt. Debt and equity financing are dependent on market conditions and may not be available on favorable terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Risk management (cont'd)

a) Interest rate risk

As at September 30, 2019, the Company has cash balances which are interest bearing. Interest income is not significant to the Company's projected operational budget and related interest rate fluctuations are not significant to the Company's risk assessment.

The Company's loans payable are interest-bearing debt at a fixed rate and therefore not subject to interest rate risk.

b) Foreign currency risk

The Company's foreign currency risk exposure relates to net monetary assets denominated in Polish Zloty. A 10% change in the foreign exchange rate between the Canadian and Polish Zloty would result in a fluctuation of $9,200 (2018 - $10,000) in the net loss realized for the year. The Company does not currently engage in hedging activities.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company considers its capital to include working capital, loan payable and the components of shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms. Future financings are dependent on market conditions and the ability to identify sources of investment. There can be no assurance the Company will be able to raise funds in the future.

12. COMMITMENTS

The Company has made the following commitments:

- The Company is subject to multiple future payments under the terms of the Wake Forest License Agreement outlined in detail in Note 4. Some of these are fixed payments, some are dependent on future milestones or events as outlined in Note 4;
- The Company is party to a lease agreement with Warsaw University for rental of a premises for total payment of $11,575 per year (underlying currency of the contract is PLN), plus the cost of internet, telephones, cleaning and waste disposal. The contract is for 12 months;
- The Company is party to another lease agreement with Warsaw University for use of laboratory equipment. Access to equipment is guaranteed for a minimum of 540 hours over 12 months, at a rate of approximately $350 per hour (underlying currency of the contract is PLN). The contract is for a 12 month term.
- The Company is party to a lease agreement with Wroclaw Technology Park (WPT) for laboratory infrastructure. The company will lease a laboratory room for $41,304 per year (underlying currency of the contract is PLN), plus operating costs, which will be co-financed by the Company's grants (Note 13), for a term of two years.
- The Company is party to a lease agreement with Deutche Leasing for a period of two years. The Company will lease equipment for $36,684 per year (underlying currency of the contract is PLN). The contract is for a two year term;
- During the period ended September 30, 2019, WPD entered into a sublicense agreement (the "Moleculin Sublicense Agreement") with Moleculin Biotech Inc. ("MBI") effective February 19, 2019, granting WPD an exclusive royalty-bearing sublicense under a number of MBI's patented and patent-pending technologies to research, develop, manufacture, have manufactured, use, import, offer to sell and/or sell pharmaceutical drug products in a number of European countries, subject to current license agreements. The term of the Moleculin Sublicense Agreement is for the life of the sublicensed patents. Under the Moleculin Sublicense Agreement, WPD agreed to expend USD $4 million in research, development and commercialization expenditures, and to make certain milestone and royalty payments on future revenues.

13. OTHER INCOME

The Company's other income is the result of funds received from government grants.

On February 20, 2018 the Company received notice it had been awarded a grant (the "WP101 Grant") in the amount of 21,400,477 PLN from the European Union, European Regional Development Fund under the Smart Growth Operational Programme, implemented under the National Center for Research and Development (the "NCRD") for development of its drug used in the treatment of glioblastoma multiforme ("GBM").

Receiving the WPD101 Grant from NCRD is subject to a number of conditions including: Polish and EU regulation for small and medium enterprises (SME) and Polish and EU grant regulation. There can be no assurances that the Company will continue to meet the necessary conditions of the NCRD, satisfactorily achieve milestones, or that NCRD will continue to advance additional funds to the Company.

If the Company is found to have used any grant proceeds for purposes other than intended, is in violation of the terms of the grant, then the Company is required to repay any grant proceeds received with interest.

During the nine months ended September 30, 2019, the Company recognized $139,928 (Nine months ended September 30, 2018 the Company recognized $Nil) in other income associated with amounts received for the WP101 Grant as management believes they have satisfied all conditions related to this income. As at September 30, 2019, the Company has not received any additional funding under the WP101 Grant which has not been recognized into profit and loss due to unfulfilled conditions or other contingencies.

13. OTHER INCOME (cont'd…)

On January 31, 2019, the Company received notice that it had been awarded a grant (the "WPD104 Grant") in the amount of 22,033,066 PLN from the European Union, the European Regional Development Fund under the Smart Growth Operational Programme, implemented under the NCRD for development of its drug berubicin hydrochloride for injection as a novel drug in GBM therapy for children and adults patients.

Receiving the WPD104 Grant from NCRD is subject to a number of conditions including: Polish and EU regulation for small and medium enterprises (SME) and Polish and EU grant regulation. There can be no assurances that the Company will continue to meet the necessary conditions of the NCRD, satisfactorily achieve milestones, or that NCRD will continue to advance additional funds to the Company.

Schedule "D"

Management Discussion and Analysis of WPD for the year ended December 31, 2018 and the period ended September 30, 2019

WPD PHARMACEUTICALS
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018

OVERVIEW

The following management discussion and analysis ("MDA") of the financial position of WPD Pharmaceuticals ("the Company" or "WPD"), and results of operations prepared on May 28, 2019, should be read in conjunction with the audited financial statements for the year ended December 31, 2018. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The head office, the principal address, and the registered and records office of the Company are located at is Zwirki I Wigury 101, 02-089 Warsaw Poland.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or by requesting further information from the Company's head office in Vancouver.

DESCRIPTION OF BUSINESS

WPD Pharmaceuticals (the "Company" or "WPD") is a privately-held research and development company incorporated in Poland under the Code of Commercial Companies on August 21, 2017. The Company is principally engaged in the research and development of innovative medicinal products in the field of oncology.

WPD is principally engaged in the research and development of innovative medicinal products for humans in the field of oncology. WPD has built a portfolio of products through a series of licensing agreements and currently holds interests in eight drugs targeting five different indications in clinical and pre-clinical development phases. WPD's business model is focused on developing a therapeutic platform acquired from Wake Forest University ("**WF**") using the benefit of European Union (EU) grant funding, know-how of clinical development in the Central European Union region and partnerships with companies willing to use the same benefits in risk-sharing co-development of products.

Since its inception on August 21, 2017 to December 31, 2018, WPD has expended CDN$1,044,021 in development of its business and an additional approximately CDN$1,000,000 in the 6 months ended June 30, 2019.

On November 28, 2017 WPD signed a license agreement (the "**Wake Forest License Agreement**") with Wake Forest University Health Sciences ("**WFUHS**") granting WPD an exclusive, worldwide, royalty-bearing license under certain patented and patent-pending technologies for the diagnosis and treatment of glioblastoma multiforme ("**GBM**"), to make, use, import, offer for sale and sell licensed pharmaceutical products, including the right to sublicense its rights under the Wake Forest License Agreement, subject to WFUHS' retained right to make, have made, and use licensed products solely for non-commercial, educational, academic, and research purposes. The term of the Wake Forest License Agreement is for the life of the licensed patents.

Under the Wake Forest License Agreement, WPD agreed to make an up-front payment of USD$50,000 (which has been paid) and an annual fee payment of USD$10,000 during the term of the Wake Forest License Agreement. WPD has also agreed to make certain milestone payments to WFUHS, including payment of the following:

(i) USD$75,000 upon filing the first investigational new drug application with the U.S. Food and Drug Administration (or non-U.S. major market equivalent);

(ii) USD$150,000 upon enrolling the first patient in the first clinical trial that is designed to study efficacy and longer term safety of a product licensed under the Wake Forest License Agreement; and

(iii) USD$750,000 upon the first commercial sale of a licensed product in a Major Market (as defined in the Wake Forest License Agreement) in which the licensed product is covered by a valid claim of a licensed patent.

WPD is also subject to numerous royalty payments under the Wake Forest License Agreement, which arise under various conditions such as the sale of a licensed product, and/or sublicense revenue being received. WPD also agreed to reimburse WFUHS for expenses incurred related to the licensed products with six equal payments of USD$47,880 due April 1 and October 1 of each year (the first such payment has been made, and the second accrued in liabilities as at December 31, 2018).

In addition, as part of the consideration under the Wake Forest License Agreement, WPD has agreed that, on the date that WPD completes the issuance and sale of equity, equity-linked, or convertible debt securities for cumulative gross proceeds of at least USD$2,000,000, or if there is a change of control of WPD, WPD shall issue (or sell or cause to be sold) to WFUHS shares of its common stock, at $0.001 par value per share, such that WFUHS will hold, in aggregate, 6.0% of WPD's outstanding common stock calculated on a fully diluted basis. WPD considers that the Share Exchange Agreement triggers this share issuance and as such, WFUHS will become a shareholder of Westcot Ventures on closing of the Acquisition.

On February 20, 2018, WPD received notice that it had been conditionally awarded a grant (the "**WP101 Grant**") in the amount of 21,400,477 PLN (CDN$7,406,510 as at July 22, 2019) from the European Union, European Regional Development Fund under the Smart Growth Operational Programme, implemented under the NCRD for development of its drug used in the treatment of GBM Receiving the WPD101 Grant from NCRD is subject to a number of conditions including Polish and EU regulation for small and medium enterprises (SME), Polish and EU grant regulation and certain milestones. There can be no assurances that WPD will continue to meet the necessary conditions of the NCRD, satisfactorily achieve milestones, or that NCRD will continue to advance additional funds to WPD. During the year ended December 31, 2018, WPD recognized USD$34,201 in other income associated with amounts received for the WP101 Grant.

On October 10, 2018, WPD entered into an agreement with Animal Life Sciences, LLC ("**ALS**") to sublicense patent rights obtained under the Wake Forest License Agreement. In consideration for sublicensing these rights, WPD received a 7.14% equity stake in ALS. ALS was formed as a limited liability company in the State of Nevada on August 22, 2018. ALS was established as a pharmaceutical and nutritional development company focused on the licensing, development and commercialization of safe and effective treatments for animals based on human cancer technologies. ALS has not presently undertaken any business operations, other than having entered into sub-license agreements with three minority shareholders, including WPD, pertaining to certain prospective technologies that those shareholders have recently licensed from health research institutions.
As ALS has no operations and no significant identifiable assets, WPD considers the fair value of its investment to be $Nil as at December 31, 2018. ALS is considered a related party, as its controlling shareholder is also a founding shareholder of WPD.

On August 30, 2018, WPD entered into a sublicense agreement (the "**CNS Sublicense Agreement**") with CNS Pharmaceuticals, Inc. ("**CNS Pharma**"). CNS Pharma holds a license to research, develop and commercialize certain licensed products within licensed territory for use within the licensed field under certain patent rights. The CNS Pharma licensed field is the treatment of cancer in humans. WPD committed to spend at least US$2.0 million on the development, testing, regulatory approval or commercialization of the products governed under the CNS Sublicense Agreement within a three-year period following the date of the license. The sublicensed territories are Poland, Estonia, Latvia, Lithuania, Belarus, Ukraine, Moldova, Romania, Bulgaria, Serbia, Macedonia, Albania, Armenia, Azerbaijan, Georgia, Montenegro, Bosnia, Croatia, Slovenia, Slovakia, Czech Republic, Hungary, Chechnya, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Greece, Austria, and Russia. WPD was required to make certain payments to CNS Pharma and will pay a royalty of 1% on sales. The primary compound of CNS Pharma is Berubicin, which was discovered at M.D. Anderson Cancer Center by Dr. Waldemar Priebe, the founder of CNS Pharma and WPD.

On January 31, 2019, WPD received notice that it had been awarded a conditional grant in the amount of 22,033,066 PLN (CDN$7,625,287 as at July 22, 2019) from the European Union's Regional Development Fund (**"EURDF**") under the Smart Growth Operational Program, implemented under the NCRD for development of its drug Berubicin hydrochloride, which is utilized via injection as a novel drug in GBM therapy for children and adult patients. The EURDF grant has conditions and milestones to be achieved and to date, WPD has not received any EURDF grant funds.

Berubicin is a new anthracycline proven to be able to reach brain tumours.

On February 19, 2019, WPD entered into a sublicense agreement (the "**Moleculin Sublicense Agreement**") with Moleculin Biotech, Inc. ("**Moleculin**"), under which Moleculin sublicensed certain intellectual property rights to WPD, including rights to certain products. Dr. Waldemar Priebe, WPD's founder and Chairman of its Scientific Advisory Board, is the founder and largest shareholder of Moleculin. Under the Moleculin Sublicense Agreement, Moleculin granted WPD a royalty-bearing, exclusive license to research, develop, manufacture, have manufactured, use, import, offer to sell and/or sell products in the field of human therapeutics under the licensed intellectual property in the licensed territories, being the countries of Germany, Poland, Estonia, Latvia, Lithuania, Belarus, Ukraine, Moldova, Romania, Armenia, Azerbaijan, Georgia, Slovakia, Czech Republic, Hungary, Uzbekistan, Kazakhstan, Greece, Austria, Russia, Netherlands, Turkey, Belgium, Switzerland, Sweden, Portugal, Norway, Denmark, Ireland, Finland, Luxembourg and Iceland, provided that Moleculin has the right to buy back the rights to Germany from WPD by making a cash payment of US$500,000 to WPD, or by issuing 235,850 shares of its common stock to WPD. In consideration for entering into the Moleculin Sublicense Agreement, WPD agreed that it must use commercially reasonable development efforts to develop and commercialize products in the aforementioned licensed territories. For the purposes of the Moleculin Sublicense Agreement, the term "commercially reasonable development efforts" means the expenditure by or on behalf of WPD or any of its affiliates of at least: (i) US$2,000,000 during the first two years of the agreement on the research, development and commercialization of products in the licensed territories; and (ii) US$1,000,000 annually for the two years thereafter on the research and development of products in the licensed territories.
Moleculin's audited and management-prepared financial statements from inception on July 28, 2015 through to March 31, 2019 indicate that Moleculin has expended US$18,960,979 on direct research and development costs over that period, approximately $800,000 of which was spent on WP1122, which was not covered by the Moleculin License.

Pursuant to the Moleculin Sublicense Agreement, WPD submitted a grant application to Dolnośląska Instytucja Pośrednicząca and is curently preparing another grant application to the National Centre for Research and Development ("**NCRD**"). There is no assurance that any funds will be granted, nor is there any assurance that the terms of any such grant would be the same as other grants obtained by WPD.

The Company is currently looking at all aspects to complete an Initial Public Offering ("IPO") and have its shares trading on an exchange in Canada.

RESULTS OF OPERATIONS

At December 31, 2018, the Company had no continuing source of operating revenues and related expenditures.

During the year ended December 31, 2018, the Company reported a net loss of $927,094 compared to a net loss of $105,974 from the period of incorporation on August 21, 2017 to December 31, 2017, The increase in the loss was a result of an increase in operations that the Company incurred during fiscal 2018, icnlduing being operational for a full fiscal year. The increase in the loss was also attributable to the Company ramping up with as discussed in the overview section above.

The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business activities.

SELECTED ANNUAL INFORMATION

The following is a summary of selected annual information compiled from the financial statements ending December 31, 2018:

	December 31, 2018	December 31, 2017
Net loss	$938,047	$105,974
Loss per share	$9,271	$1,033
Total assets	$276,030	$10,399

The Company was incorporated on August 21, 2017 and as such does not three years of comparatives to report

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim financial statements ending December 31, 2018:

	Net loss for the period	Loss per share
September 30, 2017	$10,841	$108
December 31, 2017	$95,133	$951
March 31, 2018	$50,551	$1,405
June 30, 2018	$67,839	$2,486
September 30, 2018	$268,676	$2,686
December 31, 2018	$550,981	$5,510

The Company was incorporated on August 21, 2017 and as such does not have eight quarters to report.

Discussion

The variability of net loss during the four most recent quarters is mainly due to the increase in activity and services utilized in connection to the Company's completion of the prospectus and completion of the IPO; whereas, in the preceding quarters the Company had no comparable activity.

Due to the limited historical activity in the Company, and its recent increase in activity in preparation of the prospectus and filing its IPO, no trends have been noted in reviewing the summary of selected financial information for the eight quarters ended May 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares and debt. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company has working capital deficiency at December 31, 2018 of $893,984 (December 31, 2017 - $104,222).

There can be no assurance of successfully completing future financings or completing an IPO. The Company may need to raise further capital to continue operations and complete its IPO. Management is actively seeking such opportunities.

RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the year ended December 31, 2018, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

	For the period ended December 31,	
	2018	2017
	$	$
Salaries (CEO)	43,000	-

As at December 31, 2018, USD$305,000 of loans payable were extended by a controlling shareholder of the Company (2017 - USD$76,000).

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

Capital Management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to complete a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital

management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements (Note 1 to the financial statements).

Classification of financial instruments

Fair values

The fair values of cash and accounts payable approximate their carrying values due to the short-term to maturities of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using level 1 input.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at December 31, 2018, and up to the current date, the Company had no off balance sheet arrangements.

Legal proceedings

As at the current date management was not aware of any legal proceedings involving the Company.

Outstanding Share Data

As at December 31, 2018 and the the date of this MD&A, the Company has the following outstanding securities:

1) Common shares: 100
2) No Warrants
3) No Stock options

Contingent liabilities

As at December 31, 2018 and up to the current date management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended December 31, 2018. The Company is not subject to externally imposed capital requirements.

ADDITIONAL RISK FACTORS

Limited Operating History

WPD was incorporated in August of 2017 and has yet to generate any revenue. The Resulting Issuer is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Speculative Nature of Investment Risk

An investment in the securities of the Resulting Issuer carries a high degree of risk and should be considered as a speculative investment. Each of the Company and the Resulting Issuer has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Liquidity and Future Financing Risk

The Resulting Issuer will likely operate at a loss until its business becomes established Parties and it may require additional financing in order to fund future operations and expansion plans. The Resulting Issuer's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Resulting Issuer will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. Moreover, future activities may require the Resulting Issuer to alter its capitalization significantly and, if additional financing is raised by issuance of additional shares of the Resulting Issuer from treasury, control may change and shareholders may suffer dilution. The inability of the Resulting Issuer to access sufficient capital for its operations could have a material adverse effect on the Resulting Issuer’s financial condition and results of operations.

Risks Related to the Resulting Issuer's Business and Operations

We are developing our drugs to treat patients who are extremely or terminally ill, and patient deaths that occur in our clinical trials could negatively impact our business even if such deaths are not shown to be related to our drugs.

It is our intention to continue to develop our drug candidates focused on rare and deadly forms of cancer. Patients suffering from these diseases are extremely sick and have a high likelihood of experiencing adverse outcomes, including death, as a result of their disease or due to other significant risks including relapse of their underlying malignancies. Many patients have already received high-dose chemotherapy and/or radiation therapy, which are associated with their own inherent risks, prior to treatment with our drugs.

As a result, it is likely that we will observe severe adverse outcomes during our clinical trials for our drugs, including patient death. If a significant number of study subject deaths were to occur, regardless of whether such deaths are attributable to one of our drugs, our ability to obtain regulatory approval and/or achieve commercial acceptance for the related drug may be adversely impacted and our business could be materially harmed.

We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not so available, may require us to delay, limit, reduce or cease our operations.

We have used the proceeds from our previous equity offerings, and we intend to use the proceeds from any possible future offerings, to, among other uses, advance our drug portfolio through clinical development, advancing the remainder of the existing portfolio through preclinical studies and into IND's or their equivalent, and sponsoring research with our development partners. Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is expensive. We will require substantial additional future

capital in order to complete clinical development and commercialize our drug portfolio. If the U.S. Food and Drug Administration (the "**FDA**") or its European ("**EU**") equivalent requires that we perform additional nonclinical studies or clinical trials, or if we determine, that additional clinical trials are required for our drug portfolio, our expenses would further increase beyond what we currently expect and the anticipated timing of any potential approval of our drug candidates would likely be delayed. Further, there can be no assurance that the costs we will need to incur to obtain regulatory approval of our drug portfolio will not increase.

We will continue to require substantial additional capital to continue our clinical development and commercialization activities. Because successful development of our product candidates is uncertain, we are unable to estimate the actual amount of funding we will require to complete research and development and commercialize our products under development.

The amount and timing of our future funding requirements will depend on many factors, including but not limited to:

- whether our updated plan for clinical trials will be completed on a timely basis and, if completed, whether we will be able to publicly announce results from our clinical trials in accordance with our announced milestones;
- whether we are successful in obtaining the benefits of FDA's expedited development and review programs related to our drug candidates;
- the progress, costs, results of and timing of our clinical trials and also of our preclinical studies;
- the outcome, costs and timing of seeking and obtaining FDA and any other regulatory approvals;
- the costs associated with securing and establishing commercialization and manufacturing capabilities;
- market acceptance of our product candidates;
- the costs of acquiring, licensing or investing in businesses, products, product candidates and technologies;
- our ability to maintain, expand and enforce the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defence and enforcement of any patents or other intellectual property rights;
- our need and ability to hire additional management and scientific and medical personnel;
- the effect of competing drug candidates and new product approvals;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems; and
- the economic and other terms, timing of and success of our existing licensing arrangements and any collaboration, licensing or other arrangements into which we may enter in the future.

Some of these factors are outside of our control. We do not believe that our existing capital resources are sufficient to enable us to complete the development and commercialization of our drug candidates. Accordingly, we expect that we will need to raise additional funds in the future.

We may seek additional funding through a combination of equity offerings, debt financings, government or other third-party funding, commercialization, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. Additional funding may not be available to us on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of WPD Securityholders. In addition, the issuance of additional shares by us, or the possibility of such issuance, may cause the market price of our shares to decline.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail one or more of our research or development programs. We also could be required to seek funds through arrangements with collaborative partners or otherwise that may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavourable to us.

We have recently commenced clinical trials, have a limited operating history and we expect a number of factors to cause our operating results to fluctuate on an annual basis, which may make it difficult to predict our future performance.

We are a clinical stage pharmaceutical company with a limited operating history. Our operations to date have been limited to acquiring our technology portfolio and preparing several drugs for authorization to conduct clinical trials. We have only recently commenced clinical trials with some of our drug candidates and have yet to commence clinical trials for any other drug candidates in our pipeline and have yet to receive regulatory approvals for any of our drug candidates. Additionally, we have a limited amount of drug supply and the amount of drug required may depend upon patient response and the need for additional, unplanned treatments, making it difficult to predict the total amount of drug required.

Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a longer operating history or approved products on the market. Our operating results are expected to significantly fluctuate from quarter-to-quarter or year-to-year due to a variety of factors, many of which are beyond our control. Factors relating to our business that may contribute to these fluctuations include:

- any delays in regulatory review and approval of our product candidates in clinical development, including our ability to receive approval from the FDA or the Polish authorities for our drugs in clinical trials;
- delays in the commencement, enrolment and timing of clinical trials;
- difficulties in identifying patients suffering from our target indications;
- the success of our clinical trials through all phases of clinical development;
- potential side effects of our product candidates that could delay or prevent approval or cause an approved drug to be taken off the market;
- our ability to obtain additional funding to develop drug candidates;
- our ability to identify and develop additional drug candidates beyond our current drug portfolio;
- competition from existing products or new products that continue to emerge;
- the ability of patients or healthcare providers to obtain coverage or sufficient reimbursement for our products;
- our ability to adhere to clinical trial requirements directly or with third parties such as contract research organizations;
- our dependency on third-party manufacturers to manufacture our products and key ingredients;
- our ability to establish or maintain collaborations, licensing or other arrangements;
- our ability to defend against any challenges to our intellectual property including, claims of patent infringement;
- our ability to enforce our intellectual property rights against potential competitors;
- our ability to secure additional intellectual property protection for our developing drug candidates and associated technologies;
- our ability to attract and retain key personnel to manage our business effectively; and
- potential product liability claims.

Accordingly, the results of any historical quarterly or annual periods should not be relied upon as indications of future operating performance.

We are conducting important clinical trials abroad and studies for additional countries in which to perform preclinical studies and clinical trials and the risks associated with conducting research and clinical trials abroad could materially adversely affect our business.

We are performing studies to determine if there are additional countries in which we should hold clinical and preclinical studies. Accordingly, we expect that we will be subject to additional risks related to operating in foreign countries, including:

- differing regulatory requirements in foreign countries;
- unexpected changes in price and exchange controls and other regulatory requirements;
- increased difficulties in managing the logistics and transportation of collecting and shipping patient material;

- import and export requirements and restrictions;
- compliance with tax, employment, immigration and labour laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- potential liability under the Foreign Corrupt Practices Act of 1977 or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.
- These and other risks associated with our international operations may materially adversely affect our ability to attain or maintain profitable operations.

We have never been profitable, we have no products approved for commercial sale, and to date we have not generated any revenue from product sales. As a result, our ability to reduce our losses and reach profitability is unproven, and we may never achieve or sustain profitability.

We have never been profitable and do not expect to be profitable in the foreseeable future. We have not yet submitted any drug candidates for approval by regulatory authorities in the United States or elsewhere. For the year ended December 31, 2018, we incurred a net loss of $938,047. We had an accumulated deficit of $1.0 million as of December 31, 2018.

To date, we have devoted most of our financial resources to research and development, including our drug discovery research, preclinical development activities and clinical trial preparation, as well as corporate overhead. We have not generated any revenues from product sales. We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we continue our development of, and seek regulatory approvals for our drug candidates, prepare for and begin the commercialization of any approved products, and add infrastructure and personnel to support our continuing product development efforts. We anticipate that any such losses could be significant for the next several years. If our drug candidates fail in clinical trials or do not gain regulatory approval, or if our drug candidates do not achieve market acceptance, we may never become profitable. As a result of the foregoing, we expect to continue to experience net losses and negative cash flows for the foreseeable future. These net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity and working capital.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. In addition, our expenses could increase if we are required by the FDA or its EU equivalent to perform studies or trials in addition to those currently expected, or if there are any delays in completing our clinical trials or the development of any of our drug candidates. The amount of future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenues.

Our financial condition would be adversely impacted if our intangible assets become impaired.

Intangibles are evaluated quarterly and are tested for impairment at least annually or when events or changes in circumstances indicate the carrying value of each segment, and collectively our company taken as a whole, might exceed its fair value.

If we determine that the value of our intangible assets is less than the amounts reflected on our balance sheet, we will be required to reflect an impairment of our intangible assets in the period in which such determination is made. An impairment of our intangible assets would result in our recognizing an expense in the amount of the impairment in the relevant period, which would also result in the reduction of our intangible assets and a corresponding reduction in our stockholders’ equity in the relevant period.

*There are limited suppliers for active pharmaceutical ingredients ("**API**") used in in our drug candidates. Problems with the third parties that manufacture the API used in our drug candidates may delay our clinical trials or subject us to liability.*

We do not currently own or operate manufacturing facilities for clinical or commercial production of the API used in any of our product candidates. We have no experience in API manufacturing, and we lack the resources and the capability to manufacture any of the APIs used in our product candidates, on either a clinical or commercial scale. As a result, we rely on third parties to supply the API used in each of our product candidates. We expect to continue to depend on third parties to supply the API for our current and future product candidates and to supply the API in commercial quantities. We are ultimately responsible for confirming that the APIs used in our product candidates are manufactured in accordance with applicable regulations.

Our third-party suppliers may not carry out their contractual obligations or meet our deadlines. In addition, the API they supply to us may not meet our specifications and quality policies and procedures or they may not be able to supply the API in commercial quantities. If we need to find alternative suppliers of the API used in any of our product candidates, we may not be able to contract for such supplies on acceptable terms, if at all. Any such failure to supply or delay caused by such contract manufacturers would have an adverse effect on our ability to continue clinical development of our product candidates or commercialization of our product candidates.

If our third-party drug suppliers fail to achieve and maintain high manufacturing standards in compliance with current good manufacturing practices regulations, we could be subject to certain product liability claims in the event such failure to comply resulted in defective products that caused injury or harm.

We cannot be certain that any of our drug candidates will receive regulatory approval, and without regulatory approval we will not be able to market such drugs.

Our business currently depends on the successful development and commercialization of our drug candidates. Our ability to generate revenue related to product sales, if ever, will depend on the successful development and regulatory approval of our drug candidates.

If we are unable to obtain approval from the FDA, or other regulatory agencies, for any of our product candidates, or if, subsequent to approval, we are unable to successfully commercialize our product candidates, we will not be able to generate sufficient revenue to become profitable or to continue our operations.

Any statements in this report indicating that any of our drug candidates have demonstrated preliminary evidence of efficacy are our own and are not based on the FDA's or any other comparable governmental agency's assessment and do not indicate that such drug candidate will achieve favourable efficacy results in any later stage trials or that the FDA or any comparable agency will ultimately determine that such drug candidate is effective for purposes of granting marketing approval.

Delays in the commencement, enrolment and completion of clinical trials could result in increased costs to us and delay or limit our ability to obtain regulatory approval for any of our product candidates.

Delays in the commencement, enrolment and completion of clinical trials could increase our product development costs or limit the regulatory approval of our product candidates. We do not know whether any future trials or studies of our other product candidates will begin on time or will be completed on schedule, if at all. The start or end of a clinical study is often delayed or halted due to changing regulatory requirements, manufacturing challenges, including delays or shortages in available drug product, required clinical trial administrative actions, slower than anticipated patient enrolment, changing standards of care, availability or prevalence of use of a comparative drug or required prior therapy, clinical outcomes or financial constraints. For instance, delays or difficulties in patient enrolment or difficulties in retaining trial participants can result in

increased costs, longer development times or termination of a clinical trial. Clinical trials of a new product candidate require the enrolment of a sufficient number of patients, including patients who are suffering from the disease the product candidate is intended to treat and who meet other eligibility criteria. Rates of patient enrolment are affected by many factors, including the size of the patient population, the eligibility criteria for the clinical trial, that include the age and condition of the patients and the stage and severity of disease, the nature of the protocol, the proximity of patients to clinical sites and the availability of effective treatments and/or availability of investigational treatment options for the relevant disease.

A product candidate can unexpectedly fail at any stage of preclinical and clinical development. The historical failure rate for product candidates is high due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables. The results from preclinical testing or early clinical trials of a product candidate may not predict the results that will be obtained in later phase clinical trials of the product candidate. We, the FDA or other applicable regulatory authorities may suspend clinical trials of a product candidate at any time for various reasons, including, but not limited to, a belief that subjects participating in such trials are being exposed to unacceptable health risks or adverse side effects, or other adverse initial experiences or findings. We may not have the financial resources to continue development of, or to enter into collaborations for, a product candidate if we experience any problems or other unforeseen events that delay or prevent regulatory approval of, or our ability to commercialize, product candidates, including:

- inability to obtain sufficient funds required for a clinical trial;
- inability to reach agreements on acceptable terms with prospective contract research organizations and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different contract research organizations and trial sites;
- negative or inconclusive results from our clinical trials or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- serious and unexpected drug-related side effects experienced by subjects in our clinical trials or by individuals using drugs similar to our product candidates;
- conditions imposed by the FDA or comparable foreign authorities regarding the scope or design of our clinical trials;
- delays in enrolling research subjects in clinical trials;
- high drop-out rates and high fail rates of research subjects;
- inadequate supply or quality of product candidate components or materials or other supplies necessary for the conduct of our clinical trials;
- greater than anticipated clinical trial costs;
- poor effectiveness of our product candidates during clinical trials; or
- unfavourable FDA or other regulatory agency inspection and review of a clinical trial site or vendor.

We have only recently commenced clinical trials and have never submitted an NDA, and any product candidate we advance through clinical trials may not have favourable results in later clinical trials or receive regulatory approval.

Clinical failure can occur at any stage of our clinical development. Clinical trials may produce negative or inconclusive results, and our collaborators or we may decide, or regulators may require us, to conduct additional clinical trials or nonclinical studies. In addition, data obtained from trials and studies are susceptible to varying interpretations, and regulators may not interpret our data as favourably as we do, which may delay, limit, or prevent regulatory approval. Success in preclinical studies and early clinical trials does not ensure that subsequent clinical trials will generate the same or similar results or otherwise provide adequate data to demonstrate the efficacy and safety of a product candidate. A number of companies in the pharmaceutical industry, including those with greater resources and experience than us, have suffered significant setbacks in clinical trials, even after seeing promising results in earlier clinical trials. The commencement and completion of future clinical studies could be substantially delayed or prevented by several factors, including, but not limited to:

- a limited number of, and competition for, suitable patients with particular types of cancer for enrolment in our clinical studies;
- delays or failures in reaching acceptable clinical study agreement terms;

- failure of patients to complete the clinical study; and
- unforeseen safety issues.

In addition, the design of a clinical trial can determine whether its results will support approval of a product and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. We may be unable to design and execute a clinical trial to support regulatory approval. Further, clinical trials of potential products often reveal that it is not practical or feasible to continue development efforts.

If any of our drug product candidates are found to be unsafe or lack efficacy, we will not be able to obtain regulatory approval for it and our business would be harmed.

In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in composition of the patient populations, adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. We do not know whether any clinical trials we or any of our potential future collaborators may conduct will demonstrate the consistent or adequate efficacy and safety that would be required to obtain regulatory approval and market any products. If we are unable to bring any of our drug candidates to market, or to acquire other products that are on the market or can be developed, our ability to create long-term stockholder value will be limited.

Our product candidates may have undesirable side effects that may delay or prevent marketing approval, or, if approval is received, require them to be taken off the market, require them to include safety warnings or otherwise limit their sales.

Unforeseen side effects from any of our product candidates could arise either during clinical development or, if any product candidates are approved, after the approved product has been marketed.

The range and potential severity of possible side effects from oncology therapies such as our drug candidates are significant. If any of our drug candidates cause undesirable or unacceptable side effects in the future, this could interrupt, delay or halt clinical trials and result in the failure to obtain or suspension or termination of marketing approval from the FDA and other regulatory authorities or result in marketing approval from the FDA and other regulatory authorities only with restrictive label warnings or other limitations.

If any of our product candidates receives marketing approval and we or others later identify undesirable or unacceptable side effects caused by such products:

- regulatory authorities may require the addition of labelling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies;
- we may be required to change instructions regarding the way the product is administered, conduct additional clinical trials or change the labelling of the product;
- we may be subject to limitations on how we may promote the product;
- sales of the product may decrease significantly;
- regulatory authorities may require us to take our approved product off the market;
- we may be subject to litigation or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us or our potential future collaborators from achieving or maintaining market acceptance of the affected product or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenues from the sale of our products.

If the FDA does not find the manufacturing facilities of our future contract manufacturers acceptable for commercial production, we may not be able to commercialize any of our product candidates.

We do not intend to manufacture the pharmaceutical products that we plan to sell. The facilities used by any contract manufacturer to manufacture any of our product candidates must be the subject of a satisfactory inspection before the FDA approves the product candidate manufactured at that facility. We are completely dependent on these third-party manufacturers for compliance with the requirements of U.S. and non-U.S. regulators for the manufacture of our finished products. If our manufacturers cannot successfully manufacture material that conform to our specifications and the FDA's current good manufacturing practice standards, and other requirements of any governmental agency whose jurisdiction to which we are subject, our product candidates will not be approved or, if already approved, may be subject to recalls or other negative actions. Reliance on third-party manufacturers entails risks to which we would not be subject if we manufactured our product candidates, including:

- the possibility that we are unable to enter into a manufacturing agreement with a third party to manufacture our product candidates;
- the possible breach of the manufacturing agreements by the third parties because of factors beyond our control; and
- the possibility of termination or nonrenewal of the agreements by the third parties before we are able to arrange for a qualified replacement third-party manufacturer.

Any of these factors could cause the delay of approval or commercialization of our product candidates, cause us to incur higher costs or prevent us from commercializing our product candidates successfully. Furthermore, if any of our product candidates are approved and contract manufacturers fail to deliver the required commercial quantities of finished product on a timely basis at commercially reasonable prices and we are unable to find one or more replacement manufacturers capable of production at a substantially equivalent cost, in substantially equivalent volumes and quality and on a timely basis, we would likely be unable to meet demand for our products and could lose potential revenue. It may take several years to establish an alternative source of supply for our product candidates and to have any such new source approved by the government agencies that regulate our products.

We have no sales, marketing or distribution experience and we will have to invest significant resources to develop those capabilities or enter into acceptable third-party sales and marketing arrangements.

We have no sales, marketing or distribution experience. To develop sales, distribution and marketing capabilities, we will have to invest significant amounts of financial and management resources, some of which will need to be committed prior to any confirmation that our product candidates will be approved by the FDA. For product candidates where we decide to perform sales, marketing and distribution functions ourselves or through third parties, we could face a number of additional risks, including that we or our third-party sales collaborators may not be able to build and maintain an effective marketing or sales force. If we use third parties to market and sell our products, we may have limited or no control over their sales, marketing and distribution activities on which our future revenues may depend.

We may not be successful in establishing and maintaining development and commercialization collaborations, which could adversely affect our ability to develop certain of our product candidates and our financial condition and operating results.

Because developing pharmaceutical products, conducting clinical trials, obtaining regulatory approval, establishing manufacturing capabilities and marketing approved products are expensive, we may seek to enter into collaborations with companies that have more experience. Additionally, if any of our product candidates receives marketing approval, we may enter into sales and marketing arrangements with third parties with respect to our unlicensed territories. If we are unable to enter into arrangements on acceptable terms, if at all, we may be unable to effectively market and sell our products in our target markets. We expect to face competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement and they may require substantial resources to maintain. We

may not be successful in our efforts to establish and implement collaborations or other alternative arrangements for the development of our product candidates.

When we collaborate with a third party for development and commercialization of a product candidate, we can expect to relinquish some or all of the control over the future success of that product candidate to the third party. One or more of our collaboration partners may not devote sufficient resources to the commercialization of our product candidates or may otherwise fail in their commercialization. The terms of any collaboration or other arrangement that we establish may contain provisions that are not favourable to us. In addition, any collaboration that we enter into may be unsuccessful in the development and commercialization of our product candidates. In some cases, we may be responsible for continuing preclinical and initial clinical development of a product candidate or research program under a collaboration arrangement, and the payment we receive from our collaboration partner may be insufficient to cover the cost of this development. If we are unable to reach agreements with suitable collaborators for our product candidates, we would face increased costs, we may be forced to limit the number of our product candidates we can commercially develop or the territories in which we commercialize them. As a result, we might fail to commercialize products or programs for which a suitable collaborator cannot be found. If we fail to achieve successful collaborations, our operating results and financial condition could be materially and adversely affected.

We face competition from other biotechnology and pharmaceutical companies and our operating results will suffer if we fail to compete effectively.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. We have competitors in the United States, Europe and other jurisdictions, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical and generic drug companies and universities and other research institutions. Many of our competitors have greater financial and other resources, such as larger research and development staff and more experienced marketing and manufacturing organizations than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining regulatory approvals, recruiting patients and manufacturing pharmaceutical products. These companies also have significantly greater research, sales and marketing capabilities and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. As a result of all of these factors, our competitors may succeed in obtaining patent protection and/or FDA approval or discovering, developing and commercializing drugs for the diseases that we are targeting before we do or may develop drugs that are deemed to be more effective or gain greater market acceptance than ours. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. In addition, many universities and private and public research institutes may become active in our target disease areas. Our competitors may succeed in developing, acquiring or licensing on an exclusive basis, technologies and drug products that are more effective or less costly than any of our product candidates that we are currently developing or that we may develop, which could render our products obsolete or non-competitive.

If our competitors market products that are more effective, safer or less expensive or that reach the market sooner than our future products, if any, we may not achieve commercial success. In addition, because of our limited resources, it may be difficult for us to stay abreast of the rapid changes in each technology. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

The intellectual property rights we have licensed from other organizations are subject to the rights of the U.S. government.

We have obtained a royalty-bearing, worldwide, exclusive license to intellectual property rights from other organizations. Some of our licensed intellectual property rights have been developed in the course of research

funded by the U.S. government. As a result, the U.S. government may have certain rights to intellectual property embodied in our current or future products pursuant to the Bayh-Dole Act of 1980. Government rights in certain inventions developed under a government-funded program include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right to require us, or an assignee or exclusive licensee to such inventions, to grant licenses to any of these inventions to a third party if they determine that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs; (iii) government action is necessary to meet requirements for public use under federal regulations; or (iv) the right to use or sell such inventions is exclusively licensed to an entity within the U.S. and substantially manufactured outside the U.S. without the U.S. government's prior approval. Additionally, we may be restricted from granting exclusive licenses for the right to use or sell our inventions created pursuant to such agreements unless the licensee agrees to additional restrictions (e.g., manufacturing substantially all of the invention in the U.S.). The U.S. government also has the right to take title to these inventions if we fail to disclose the invention to the government and fail to file an application to register the intellectual property within specified time limits. In addition, the U.S. government may acquire title in any country in which a patent application is not filed within specified time limits. Additionally, certain inventions are subject to transfer restrictions during the term of these agreements and for a period thereafter, including sales of products or components, transfers to foreign subsidiaries for the purpose of the relevant agreements, and transfers to certain foreign third parties. If any of our intellectual property becomes subject to any of the rights or remedies available to the U.S. government or third parties pursuant to the Bayh-Dole Act of 1980, this could impair the value of our intellectual property and could adversely affect our business.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights.

We may from time to time seek to enforce our intellectual property rights against infringers when we determine that a successful outcome is probable and may lead to an increase in the value of the intellectual property. If we choose to enforce our patent rights against a party, then that individual or company has the right to ask the court to rule that such patents are invalid or should not be enforced. Additionally, the validity of our patents and the patents we have licensed may be challenged if a petition for post grant proceedings such as inter-partes review and post grant review is filed within the statutorily applicable time with the U.S. Patent and Trademark Office ("**USPTO**"). These lawsuits and proceedings are expensive and would consume time and resources and divert the attention of managerial and scientific personnel even if we were successful in stopping the infringement of such patents. In addition, there is a risk that the court will decide that such patents are not valid and that we do not have the right to stop the other party from using the inventions. There is also the risk that, even if the validity of such patents is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe our intellectual property rights. In addition, in recent years the U.S. Supreme Court modified some tests used by the USPTO in granting patents over the past 20 years, which may decrease the likelihood that we will be able to obtain patents and increase the likelihood of a challenge of any patents we obtain or license.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that these employees, or we, have used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and products could be significantly diminished.

We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on

confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We will need to expand our operations and increase the size of our company, and we may experience difficulties in managing growth.

As of May 28, 2019, we have 11 full-time and four part-time employees. As we advance our product candidates through preclinical studies and clinical trials, we will need to increase our product development, scientific and administrative headcount to manage these programs. In addition, to meet our obligations as a public company, we may need to increase our general and administrative capabilities. Our management, personnel and systems currently in place may not be adequate to support this future growth. If we are unable to successfully manage this growth and increased complexity of operations, our business may be adversely affected.

We may not be able to manage our business effectively if we are unable to attract and retain key personnel and consultants.

We may not be able to attract or retain qualified management, finance, scientific and clinical personnel and consultants due to the intense competition for qualified personnel and consultants among biotechnology, pharmaceutical and other businesses. If we are not able to attract and retain necessary personnel and consultants to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

We are highly dependent on the development, regulatory, commercialization and business development expertise of our management team, key employees and consultants. If we lose one or more of our executive officers or key employees or consultants, our ability to implement our business strategy successfully could be seriously harmed. Any of our executive officers or key employees or consultants may terminate their employment at any time. Replacing executive officers, key employees and consultants may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain regulatory approval of and commercialize products successfully. Competition to hire and retain employees and consultants from this limited pool is intense, and we may be unable to hire, train, retain or motivate these additional key personnel and consultants. Our failure to retain key personnel or consultants could materially harm our business.

In addition, we have scientific and clinical advisors and consultants who assist us in formulating our research, development and clinical strategies. These advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us and typically they will not enter into non-compete agreements with us. If a conflict of interest arises between their work for us and their work for another entity, we may lose their services. In addition, our advisors may have arrangements with other companies to assist those companies in developing products or technologies that may compete with ours.

We do not expect that our insurance policies will cover all of our business exposures thus leaving us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. Although we intend to obtain product insurance before we commence any clinical trials, there can be no assurance that we will secure adequate insurance coverage or that any such insurance coverage will be sufficient to protect our operations to significant potential liability in the future. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our financial position and results of operations.

Additionally, we use hazardous materials, and any claims relating to improper handling, storage or disposal of these materials could be time-consuming or costly. We do not carry specific hazardous waste insurance coverage and our property and casualty and general liability insurance policies specifically exclude coverage for damages and fines arising from hazardous waste exposure or contamination.

We may incur penalties if we fail to comply with healthcare regulations.

We are exposed to the risk of employee fraud or other illegal activity by our employees, independent contractors, consultants, commercial partners and vendors. In addition to FDA restrictions on the marketing of pharmaceutical products, several other types of state and federal laws have been applied to restrict certain marketing practices in the pharmaceutical and medical device industries in recent years, as well as consulting or other service agreements with physicians or other potential referral sources. These laws include anti-kickback statutes and false claims statutes that prohibit, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce, or, in return for, purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally-financed healthcare programs, and knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to get a false claim paid. The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services, reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payer. Although there are a number of statutory exemptions and regulatory safe harbors protecting certain common activities from prosecution, the exemptions and safe harbors are drawn narrowly, and any practices we adopt may not, in all cases, meet all of the criteria for safe harbor protection from anti-kickback liability. Sanctions under these federal and state laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, criminal fines and imprisonment. Any challenge to our business practices under these laws could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to recover from any catastrophic event affecting our suppliers.

Our suppliers may not have adequate measures in place to minimize and recover from catastrophic events that may substantially destroy their capability to meet customer needs, and any measures they may in place may not be adequate to recover production processes quickly enough to support critical timelines or market demands. These catastrophic events may include weather events such as tornadoes, earthquakes, floods or fires. In addition, these catastrophic events may render some or all of the products at the affected facilities unusable.

We may be materially adversely affected in the event of cyber-based attacks, network security breaches, service interruptions, or data corruption.

We rely on information technology to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities. We use technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal, and tax requirements. Our information technology systems, some of which are managed by third-parties, may be susceptible to damage, disruptions or shutdowns due to computer viruses, attacks by computer hackers, failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors or catastrophic events. Although we have developed systems and processes that are designed to protect proprietary or confidential information and prevent data loss and other security breaches, such measures cannot provide absolute security. If our systems are breached or suffer severe damage, disruption or shutdown and we are unable to effectively resolve the issues in a timely manner, our business and operating results may significantly suffer and we may be subject to litigation, government enforcement actions or potential liability. Security breaches could also cause us to incur significant remediation costs, result in product development delays, disrupt key business operations, including development of our product candidates, and divert attention of management and key information technology resources.

Success of Quality Control Systems

The quality and safety of our products are critical to the success of our business and operations. As such, it is imperative that our and our service providers' quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although we strive to ensure that all of our service providers have implemented and adhere to high-caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on our business and operating results.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

WPD PHARMACEUTICALS
MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTHS ENDED SEPTEMBER 30, 2019

OVERVIEW

The following management discussion and analysis ("MDA") of the financial position of WPD Pharmaceuticals ("the Company" or "WPD"), and results of operations prepared on December 16, 2019, should be read in conjunction with the unaudited interim financial statements for the nine months ended September 30, 2019 and the audited financial statements for the year ended December 31, 2018. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The head office, the principal address, and the registered and records office of the Company are located at is Zwirki I Wigury 101, 02-089 Warsaw Poland.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or by requesting further information from the Company's head office in Vancouver.

DESCRIPTION OF BUSINESS

WPD Pharmaceuticals (the "Company" or "WPD") is a privately-held research and development company incorporated in Poland under the Code of Commercial Companies on August 21, 2017. The Company is principally engaged in the research and development of innovative medicinal products in the field of oncology.

WPD is principally engaged in the research and development of innovative medicinal products for humans in the field of oncology. WPD has built a portfolio of products through a series of licensing agreements and currently holds interests in eight drugs targeting five different indications in clinical and pre-clinical development phases. WPD's business model is focused on developing a therapeutic platform acquired from Wake Forest University ("**WF**") using the benefit of European Union (EU) grant funding, know-how of clinical development in the Central European Union region and partnerships with companies willing to use the same benefits in risk-sharing co-development of products.

Since its inception on August 21, 2017 to December 31, 2018, WPD has expended CDN$1,044,021 in development of its business and an additional approximately CDN$1,285,000 in the nine months ended September 30, 2019.

On November 28, 2017 WPD signed a license agreement (the "**Wake Forest License Agreement**") with Wake Forest University Health Sciences ("**WFUHS**") granting WPD an exclusive, worldwide, royalty-bearing license under certain patented and patent-pending technologies for the diagnosis and treatment of glioblastoma multiforme ("**GBM**"), to make, use, import, offer for sale and sell licensed pharmaceutical products, including the right to sublicense its rights under the Wake Forest License Agreement, subject to WFUHS' retained right to make, have made, and use licensed products solely for non-commercial, educational, academic, and research purposes. The term of the Wake Forest License Agreement is for the life of the licensed patents.

Under the Wake Forest License Agreement, WPD agreed to make an up-front payment of USD$50,000 (which has been paid) and an annual fee payment of USD$10,000 during the term of the Wake Forest License Agreement. WPD has also agreed to make certain milestone payments to WFUHS, including payment of the following:

(i) USD$75,000 upon filing the first investigational new drug application with the U.S. Food and Drug Administration (or non-U.S. major market equivalent);

(ii) USD$150,000 upon enrolling the first patient in the first clinical trial that is designed to study efficacy and longer term safety of a product licensed under the Wake Forest License Agreement; and

(iii) USD$750,000 upon the first commercial sale of a licensed product in a Major Market (as defined in the Wake Forest License Agreement) in which the licensed product is covered by a valid claim of a licensed patent.

WPD is also subject to numerous royalty payments under the Wake Forest License Agreement, which arise under various conditions such as the sale of a licensed product, and/or sublicense revenue being received. WPD also agreed to reimburse WFUHS for expenses incurred related to the licensed products with six equal payments of USD$47,880 due April 1 and October 1 of each year (the first such payment has been made, the second accrued in liabilities as at December 31, 2018 and the third accrued in liabilities as at September 30, 2019).

In addition, as part of the consideration under the Wake Forest License Agreement, WPD has agreed that, on the date that WPD completes the issuance and sale of equity, equity-linked, or convertible debt securities for cumulative gross proceeds of at least USD$2,000,000, or if there is a change of control of WPD, WPD shall issue (or sell or cause to be sold) to WFUHS shares of its common stock, at $0.001 par value per share, such that WFUHS will hold, in aggregate, 6.0% of WPD's outstanding common stock calculated on a fully diluted basis. WPD considers that the Share Exchange Agreement triggers this share issuance and as such, WFUHS will become a shareholder of Westcot Ventures on closing of the Acquisition.

On February 20, 2018, WPD received notice that it had been conditionally awarded a grant (the "**WP101 Grant**") in the amount of 21,400,477 PLN (CDN$7,406,510 as at July 22, 2019) from the European Union, European Regional Development Fund under the Smart Growth Operational Programme, implemented under the NCRD for development of its drug used in the treatment of GBM Receiving the WPD101 Grant from NCRD is subject to a number of conditions including Polish and EU regulation for small and medium enterprises (SME), Polish and EU grant regulation and certain milestones. There can be no assurances that WPD will continue to meet the necessary conditions of the NCRD, satisfactorily achieve milestones, or that NCRD will continue to advance additional funds to WPD. During the year ended December 31, 2018, WPD recognized USD$34,201 in other income associated with amounts received for the WP101 Grant.

On October 10, 2018, WPD entered into an agreement with Animal Life Sciences, LLC ("**ALS**") to sublicense patent rights obtained under the Wake Forest License Agreement. In consideration for sublicensing these rights, WPD received a 7.14% equity stake in ALS. ALS was formed as a limited liability company in the State of Nevada on August 22, 2018. ALS was established as a pharmaceutical and nutritional development company focused on the licensing, development and commercialization of safe and effective treatments for animals based on human cancer technologies. ALS has not presently undertaken any business operations, other than having entered into sub-license agreements with three minority shareholders, including WPD, pertaining to certain prospective technologies that those shareholders have recently licensed from health research institutions.
As ALS has no operations and no significant identifiable assets, WPD considers the fair value of its investment to be $Nil as at December 31, 2018. ALS is considered a related party, as its controlling shareholder is also a founding shareholder of WPD.

On August 30, 2018, WPD entered into a sublicense agreement (the "**CNS Sublicense Agreement**") with CNS Pharmaceuticals, Inc. ("**CNS Pharma**"). CNS Pharma holds a license to research, develop and commercialize certain licensed products within licensed territory for use within the licensed field under certain patent rights. The CNS Pharma licensed field is the treatment of cancer in humans. WPD committed to spend at least US$2.0 million on the development, testing, regulatory approval or commercialization of the products governed under the CNS Sublicense Agreement within a three-year period following the date of the license. The sublicensed territories are Poland, Estonia, Latvia, Lithuania, Belarus, Ukraine, Moldova, Romania, Bulgaria, Serbia, Macedonia, Albania, Armenia, Azerbaijan, Georgia, Montenegro, Bosnia, Croatia, Slovenia, Slovakia, Czech Republic, Hungary, Chechnya, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Greece, Austria, and Russia. WPD was required to make certain payments to CNS Pharma and will pay a royalty of 1% on sales. The primary compound of CNS Pharma is Berubicin, which was discovered at M.D. Anderson Cancer Center by Dr. Waldemar Priebe, the founder of CNS Pharma and WPD.

On January 31, 2019, WPD received notice that it had been awarded a conditional grant in the amount of 22,033,066 PLN (CDN$7,625,287 as at July 22, 2019) from the European Union's Regional Development Fund (**"EURDF**") under the Smart Growth Operational Program, implemented under the NCRD for development of its drug Berubicin hydrochloride, which is utilized via injection as a novel drug in GBM therapy for children and adult patients. The EURDF grant has conditions and milestones to be achieved and to date, WPD has not received any EURDF grant funds.

Berubicin is a new anthracycline proven to be able to reach brain tumours.

On February 19, 2019, WPD entered into a sublicense agreement (the "**Moleculin Sublicense Agreement**") with Moleculin Biotech, Inc. ("**Moleculin**"), under which Moleculin sublicensed certain intellectual property rights to WPD, including rights to certain products. Dr. Waldemar Priebe, WPD's founder and Chairman of its Scientific Advisory Board, is the founder and largest shareholder of Moleculin. Under the Moleculin Sublicense Agreement, Moleculin granted WPD a royalty-bearing, exclusive license to research, develop, manufacture, have manufactured, use, import, offer to sell and/or sell products in the field of human therapeutics under the licensed intellectual property in the licensed territories, being the countries of Germany, Poland, Estonia, Latvia, Lithuania, Belarus, Ukraine, Moldova, Romania, Armenia, Azerbaijan, Georgia, Slovakia, Czech Republic, Hungary, Uzbekistan, Kazakhstan, Greece, Austria, Russia, Netherlands, Turkey, Belgium, Switzerland, Sweden, Portugal, Norway, Denmark, Ireland, Finland, Luxembourg and Iceland, provided that Moleculin has the right to buy back the rights to Germany from WPD by making a cash payment of US$500,000 to WPD, or by issuing 235,850 shares of its common stock to WPD. In consideration for entering into the Moleculin Sublicense Agreement, WPD agreed that it must use commercially reasonable development efforts to develop and commercialize products in the aforementioned licensed territories. For the purposes of the Moleculin Sublicense Agreement, the term "commercially reasonable development efforts" means the expenditure by or on behalf of WPD or any of its affiliates of at least: (i) US$2,000,000 during the first two years of the agreement on the research, development and commercialization of products in the licensed territories; and (ii) US$1,000,000 annually for the two years thereafter on the research and development of products in the licensed territories.
Moleculin's audited and management-prepared financial statements from inception on July 28, 2015 through to March 31, 2019 indicate that Moleculin has expended US$18,960,979 on direct research and development costs over that period, approximately $800,000 of which was spent on WP1122, which was not covered by the Moleculin License.

Pursuant to the Moleculin Sublicense Agreement, WPD submitted a grant application to Dolnośląska Instytucja Pośrednicząca and is curently preparing another grant application to the National Centre for Research and Development ("**NCRD**"). There is no assurance that any funds will be granted, nor is there any assurance that the terms of any such grant would be the same as other grants obtained by WPD.

On April 26, 2019, the Company and Westcot Capital Corp. ("Westcot") entered into a letter of intent dated April 26, 2019, to complete a transaction pursuant to which Westcot will, subject to certain conditions, acquire all of the issued and outstanding securities of WPD.

The transaction is an arm's-length transaction that is expected to constitute a change of business (COB) pursuant to TSX Venture Exchange Policy 5.2 (Changes of Business and Reverse Takeovers). It is anticipated that following the transaction, the resulting entity will be classified as a Tier 2 life sciences issuer on the exchange.

Following completion of the proposed transaction, the resulting entity will hold all of the assets and continue the business of WPD under the same operating management.

The LOI provides that the company and WPD will negotiate and enter into a definitive agreement in connection with the transaction, pursuant to which Westcot will acquire all of the issued and outstanding shares of WPD in exchange for 67 million common shares of Westcot. The common shares of the resulting entity will therefore be principally owned by the existing shareholders of WPD.

Upon signing the definitive agreement, Westcot will provide WTD with a secured bridge loan in the amount of $200,000, subject to exchange approval.

Closing of the transaction will be subject to, among other things, the following conditions:

- Entry into of the definitive agreement;
- Westcot being satisfied as to the results of the company's due diligence investigations;
- Approval of the Westcot shareholders, if required (see herein), together with any requisite minority shareholder approvals;
- Westcot receiving a comprehensive business plan for WPD in a form acceptable to the exchange;
- WPD having no outstanding convertible securities in the capital of WPD, indebtedness or liabilities immediately prior to the completion of the transaction;
- Former holders of WPD shares having entered into escrow agreements in connection with the shares issued pursuant to the definitive agreement;
- Westcot having no indebtedness or liabilities or outstanding convertible securities in the capital of Westcot, except as agreed by WPD and Westcot;
- Westcot having a minimum of $3.2-million in the company's treasury after payment of all costs of the transaction;
- Certain shareholders of Westcot signing voluntary pooling agreements;
- Satisfaction of all initial listing requirements of the exchange and all related requirements under the policies of the exchange;
- Receipt of all required regulatory approvals, consents, permits, waivers, exemptions and orders;
- No breach of the obligations under the LOI or the definitive agreement.

A finder's fee, payable in common shares of the resulting entity, will be paid to an arm's-length party for introducing WPD and Westcot. Payment of the finder's fee will be subject to completion of the transaction.

On July 17, 2019, the Company and Westcot entered into a definitive share exchange agreement whereby, Westcot will, subject to certain conditions, acquire all of the issued and outstanding securities of WPD.

The transaction is an arm's-length transaction that is expected to constitute a change of business (COB) pursuant to TSX Venture Exchange Policy 5.2 (Changes of Business and Reverse Takeovers). It is anticipated that following the transaction, the resulting entity will be classified as a Tier 2 life sciences issuer on the exchange. Following completion of the proposed transaction, the resulting entity will hold all of the assets and continue the business of WPD.

Pursuant to the definitive agreement, Westcot will acquire all of the issued and outstanding securities of WPD from its shareholders in exchange for 67 million common shares of Westcot at the closing of the transaction for aggregate deemed consideration of $23.45-million (based on the price of 35 cents per share, being the last closing price of the shares prior to the announcement of the transaction). Upon completion of the transaction, WPD will become a wholly owned subsidiary of Westcot.

Upon signing the definitive agreement, Westcot agreed to provide WPD with a secured bridge loan in the amount of $200,000, subject to exchange approval.

Closing will be subject to, among other things, the following conditions:

- Various resulting entity shareholders will enter into escrow agreements in connection with their respective shares.
- WPD will convert a portion of its outstanding debt into common shares of WPD.
- Regulatory, corporate and all third party approvals, including from WPD's licensors, required for completion of the transaction, will have been obtained. All shareholder approvals required for completion of the transaction will have been obtained.
- The exchange will have provided its acceptance of all transactions contemplated by the definitive agreement.

A finder's fee of 4.5 million shares of the resulting entity will be paid to Jason Sundar, an arm's-length party, subject to completion of the transaction.

RESULTS OF OPERATIONS

At September 30, 2019 and 2018, the Company had no continuing source of operating revenues.

During the nine months ended September 30, 2019, the Company reported a net loss of $1,144,627 compared to a net loss of $491,678 for the nine months ended September 30, 2018, The increase in the loss was a result of an increase in operations that the Company incurred during fiscal 2018, including being operational for a full fiscal year. The increase in the loss was also attributable to the Company ramping up with as discussed in the overview section above.

The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business activities.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim financial statements ending September 30, 2019:

	Net loss for the period	Loss per share
December 31, 2017	$95,133	$951
March 31, 2018	$50,551	$505
June 30, 2018	$67,839	$678
September 30, 2018	$491,678	$4,899
December 31, 2018	$327,979	$3,279
March 31, 2019	$135,584	$1,355
June 30, 2019	$216,496	$2,165
September 30, 2019	$792,547	$8,067

Discussion

The variability of net loss during the four most recent quarters is mainly due to the increase in activity and services utilized in connection to the Company's completion of the prospectus and completion of the IPO; whereas, in the preceding quarters the Company had no comparable activity.

Due to the limited historical activity in the Company, and its recent increase in activity in preparation of the prospectus and filing its IPO, no trends have been noted in reviewing the summary of selected financial information for the eight quarters ended September 30, 2019.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares and debt. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company has working capital deficiency at September 30, 2019 of $2,161,158 (December 31, 2018 - $893,984).

There can be no assurance of successfully completing future financings or a Qualifying Transaction. The Company may need to raise further capital to continue operations and complete its Qualifying Transaction. Management is actively seeking such opportunities.

RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the period ended September 30, 2019, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

	For the period ended September 30,	
	2019	2018
	$	$
Salaries (CEO)	31,500	31,500
Consulting fees (CFO)	21,000	-

As at December 31, 2018 and September 30, 2019, USD$305,000 of loans payable were extended by a controlling shareholder of the Company (2017 - USD$76,000). The terms of these loans are described in Note 6.

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

Capital Management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to complete a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements (Note 1 to the financial statements).

Classification of financial instruments

Fair values

The fair values of cash and accounts payable approximate their carrying values due to the short-term to maturities of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using level 1 input.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at September 30, 2019, and up to the current date, the Company had no off balance sheet arrangements.

Legal proceedings

As at the current date management was not aware of any legal proceedings involving the Company.

Outstanding Share Data

As at September 30, 2019 and the the date of this MD&A, the Company has the following outstanding securities:

1) Common shares: 100
2) No outstanding warrants
3) No outstanding stock options

Contingent liabilities

As at December 31, 2018 and up to the current date management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended December 31, 2018. The Company is not subject to externally imposed capital requirements.

ADDITIONAL RISK FACTORS

Limited Operating History

WPD was incorporated in August of 2017 and has yet to generate any revenue. The Resulting Issuer is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Speculative Nature of Investment Risk

An investment in the securities of the Resulting Issuer carries a high degree of risk and should be considered as a speculative investment. Each of the Company and the Resulting Issuer has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Liquidity and Future Financing Risk

The Resulting Issuer will likely operate at a loss until its business becomes established Parties and it may require additional financing in order to fund future operations and expansion plans. The Resulting Issuer's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Resulting Issuer will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. Moreover, future activities may require the Resulting Issuer to alter its capitalization significantly and, if additional financing is raised by issuance of additional shares of the Resulting Issuer from treasury, control may change and shareholders may suffer dilution. The inability of the Resulting Issuer to access sufficient capital for its operations could have a material adverse effect on the Resulting Issuer's financial condition and results of operations.

Risks Related to the Resulting Issuer's Business and Operations

We are developing our drugs to treat patients who are extremely or terminally ill, and patient deaths that occur in our clinical trials could negatively impact our business even if such deaths are not shown to be related to our drugs.

It is our intention to continue to develop our drug candidates focused on rare and deadly forms of cancer. Patients suffering from these diseases are extremely sick and have a high likelihood of experiencing adverse outcomes, including death, as a result of their disease or due to other significant risks including relapse of their underlying malignancies. Many patients have already received high-dose chemotherapy and/or radiation therapy, which are associated with their own inherent risks, prior to treatment with our drugs.

As a result, it is likely that we will observe severe adverse outcomes during our clinical trials for our drugs, including patient death. If a significant number of study subject deaths were to occur, regardless of whether such deaths are attributable to one of our drugs, our ability to obtain regulatory approval and/or achieve

commercial acceptance for the related drug may be adversely impacted and our business could be materially harmed.

We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not so available, may require us to delay, limit, reduce or cease our operations.

We have used the proceeds from our previous equity offerings, and we intend to use the proceeds from any possible future offerings, to, among other uses, advance our drug portfolio through clinical development, advancing the remainder of the existing portfolio through preclinical studies and into IND's or their equivalent, and sponsoring research with our development partners. Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is expensive. We will require substantial additional future capital in order to complete clinical development and commercialize our drug portfolio. If the U.S. Food and Drug Administration (the "**FDA**") or its European ("**EU**") equivalent requires that we perform additional nonclinical studies or clinical trials, or if we determine, that additional clinical trials are required for our drug portfolio, our expenses would further increase beyond what we currently expect and the anticipated timing of any potential approval of our drug candidates would likely be delayed. Further, there can be no assurance that the costs we will need to incur to obtain regulatory approval of our drug portfolio will not increase.

We will continue to require substantial additional capital to continue our clinical development and commercialization activities. Because successful development of our product candidates is uncertain, we are unable to estimate the actual amount of funding we will require to complete research and development and commercialize our products under development.

The amount and timing of our future funding requirements will depend on many factors, including but not limited to:

- whether our updated plan for clinical trials will be completed on a timely basis and, if completed, whether we will be able to publicly announce results from our clinical trials in accordance with our announced milestones;
- whether we are successful in obtaining the benefits of FDA's expedited development and review programs related to our drug candidates;
- the progress, costs, results of and timing of our clinical trials and also of our preclinical studies;
- the outcome, costs and timing of seeking and obtaining FDA and any other regulatory approvals;
- the costs associated with securing and establishing commercialization and manufacturing capabilities;
- market acceptance of our product candidates;
- the costs of acquiring, licensing or investing in businesses, products, product candidates and technologies;
- our ability to maintain, expand and enforce the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defence and enforcement of any patents or other intellectual property rights;
- our need and ability to hire additional management and scientific and medical personnel;
- the effect of competing drug candidates and new product approvals;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems; and
- the economic and other terms, timing of and success of our existing licensing arrangements and any collaboration, licensing or other arrangements into which we may enter in the future.

Some of these factors are outside of our control. We do not believe that our existing capital resources are sufficient to enable us to complete the development and commercialization of our drug candidates. Accordingly, we expect that we will need to raise additional funds in the future.

We may seek additional funding through a combination of equity offerings, debt financings, government or other third-party funding, commercialization, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. Additional funding may not be available to us on acceptable

terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of WPD Securityholders. In addition, the issuance of additional shares by us, or the possibility of such issuance, may cause the market price of our shares to decline.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail one or more of our research or development programs. We also could be required to seek funds through arrangements with collaborative partners or otherwise that may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavourable to us.

We have recently commenced clinical trials, have a limited operating history and we expect a number of factors to cause our operating results to fluctuate on an annual basis, which may make it difficult to predict our future performance.

We are a clinical stage pharmaceutical company with a limited operating history. Our operations to date have been limited to acquiring our technology portfolio and preparing several drugs for authorization to conduct clinical trials. We have only recently commenced clinical trials with some of our drug candidates and have yet to commence clinical trials for any other drug candidates in our pipeline and have yet to receive regulatory approvals for any of our drug candidates. Additionally, we have a limited amount of drug supply and the amount of drug required may depend upon patient response and the need for additional, unplanned treatments, making it difficult to predict the total amount of drug required.

Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a longer operating history or approved products on the market. Our operating results are expected to significantly fluctuate from quarter-to-quarter or year-to-year due to a variety of factors, many of which are beyond our control. Factors relating to our business that may contribute to these fluctuations include:

- any delays in regulatory review and approval of our product candidates in clinical development, including our ability to receive approval from the FDA or the Polish authorities for our drugs in clinical trials;
- delays in the commencement, enrolment and timing of clinical trials;
- difficulties in identifying patients suffering from our target indications;
- the success of our clinical trials through all phases of clinical development;
- potential side effects of our product candidates that could delay or prevent approval or cause an approved drug to be taken off the market;
- our ability to obtain additional funding to develop drug candidates;
- our ability to identify and develop additional drug candidates beyond our current drug portfolio;
- competition from existing products or new products that continue to emerge;
- the ability of patients or healthcare providers to obtain coverage or sufficient reimbursement for our products;
- our ability to adhere to clinical trial requirements directly or with third parties such as contract research organizations;
- our dependency on third-party manufacturers to manufacture our products and key ingredients;
- our ability to establish or maintain collaborations, licensing or other arrangements;
- our ability to defend against any challenges to our intellectual property including, claims of patent infringement;
- our ability to enforce our intellectual property rights against potential competitors;
- our ability to secure additional intellectual property protection for our developing drug candidates and associated technologies;
- our ability to attract and retain key personnel to manage our business effectively; and
- potential product liability claims.

Accordingly, the results of any historical quarterly or annual periods should not be relied upon as indications of future operating performance.

We are conducting important clinical trials abroad and studies for additional countries in which to perform preclinical studies and clinical trials and the risks associated with conducting research and clinical trials abroad could materially adversely affect our business.

We are performing studies to determine if there are additional countries in which we should hold clinical and preclinical studies. Accordingly, we expect that we will be subject to additional risks related to operating in foreign countries, including:

- differing regulatory requirements in foreign countries;
- unexpected changes in price and exchange controls and other regulatory requirements;
- increased difficulties in managing the logistics and transportation of collecting and shipping patient material;
- import and export requirements and restrictions;
- compliance with tax, employment, immigration and labour laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- potential liability under the Foreign Corrupt Practices Act of 1977 or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.
- These and other risks associated with our international operations may materially adversely affect our ability to attain or maintain profitable operations.

We have never been profitable, we have no products approved for commercial sale, and to date we have not generated any revenue from product sales. As a result, our ability to reduce our losses and reach profitability is unproven, and we may never achieve or sustain profitability.

We have never been profitable and do not expect to be profitable in the foreseeable future. We have not yet submitted any drug candidates for approval by regulatory authorities in the United States or elsewhere. For the year ended December 31, 2018, we incurred a net loss of $938,047. We had an accumulated deficit of $1.0 million as of December 31, 2018.

To date, we have devoted most of our financial resources to research and development, including our drug discovery research, preclinical development activities and clinical trial preparation, as well as corporate overhead. We have not generated any revenues from product sales. We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we continue our development of, and seek regulatory approvals for our drug candidates, prepare for and begin the commercialization of any approved products, and add infrastructure and personnel to support our continuing product development efforts. We anticipate that any such losses could be significant for the next several years. If our drug candidates fail in clinical trials or do not gain regulatory approval, or if our drug candidates do not achieve market acceptance, we may never become profitable. As a result of the foregoing, we expect to continue to experience net losses and negative cash flows for the foreseeable future. These net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity and working capital.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. In addition, our expenses could increase if we are required by the FDA or its EU equivalent to perform studies or trials in addition to those currently expected, or if there are any delays in completing our clinical trials or the development of any of our drug candidates. The amount of future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenues.

Our financial condition would be adversely impacted if our intangible assets become impaired.

Intangibles are evaluated quarterly and are tested for impairment at least annually or when events or changes in circumstances indicate the carrying value of each segment, and collectively our company taken as a whole, might exceed its fair value.

If we determine that the value of our intangible assets is less than the amounts reflected on our balance sheet, we will be required to reflect an impairment of our intangible assets in the period in which such determination is made. An impairment of our intangible assets would result in our recognizing an expense in the amount of the impairment in the relevant period, which would also result in the reduction of our intangible assets and a corresponding reduction in our stockholders' equity in the relevant period.

*There are limited suppliers for active pharmaceutical ingredients ("**API**") used in in our drug candidates. Problems with the third parties that manufacture the API used in our drug candidates may delay our clinical trials or subject us to liability.*

We do not currently own or operate manufacturing facilities for clinical or commercial production of the API used in any of our product candidates. We have no experience in API manufacturing, and we lack the resources and the capability to manufacture any of the APIs used in our product candidates, on either a clinical or commercial scale. As a result, we rely on third parties to supply the API used in each of our product candidates. We expect to continue to depend on third parties to supply the API for our current and future product candidates and to supply the API in commercial quantities. We are ultimately responsible for confirming that the APIs used in our product candidates are manufactured in accordance with applicable regulations.

Our third-party suppliers may not carry out their contractual obligations or meet our deadlines. In addition, the API they supply to us may not meet our specifications and quality policies and procedures or they may not be able to supply the API in commercial quantities. If we need to find alternative suppliers of the API used in any of our product candidates, we may not be able to contract for such supplies on acceptable terms, if at all. Any such failure to supply or delay caused by such contract manufacturers would have an adverse effect on our ability to continue clinical development of our product candidates or commercialization of our product candidates.

If our third-party drug suppliers fail to achieve and maintain high manufacturing standards in compliance with current good manufacturing practices regulations, we could be subject to certain product liability claims in the event such failure to comply resulted in defective products that caused injury or harm.

We cannot be certain that any of our drug candidates will receive regulatory approval, and without regulatory approval we will not be able to market such drugs.

Our business currently depends on the successful development and commercialization of our drug candidates. Our ability to generate revenue related to product sales, if ever, will depend on the successful development and regulatory approval of our drug candidates.

If we are unable to obtain approval from the FDA, or other regulatory agencies, for any of our product candidates, or if, subsequent to approval, we are unable to successfully commercialize our product candidates, we will not be able to generate sufficient revenue to become profitable or to continue our operations.

Any statements in this report indicating that any of our drug candidates have demonstrated preliminary evidence of efficacy are our own and are not based on the FDA's or any other comparable governmental agency's assessment and do not indicate that such drug candidate will achieve favourable efficacy results in any later stage trials or that the FDA or any comparable agency will ultimately determine that such drug candidate is effective for purposes of granting marketing approval.

Delays in the commencement, enrolment and completion of clinical trials could result in increased costs to us and delay or limit our ability to obtain regulatory approval for any of our product candidates.

Delays in the commencement, enrolment and completion of clinical trials could increase our product development costs or limit the regulatory approval of our product candidates. We do not know whether any future trials or studies of our other product candidates will begin on time or will be completed on schedule, if at all. The start or end of a clinical study is often delayed or halted due to changing regulatory requirements, manufacturing challenges, including delays or shortages in available drug product, required clinical trial administrative actions, slower than anticipated patient enrolment, changing standards of care, availability or prevalence of use of a comparative drug or required prior therapy, clinical outcomes or financial constraints. For instance, delays or difficulties in patient enrolment or difficulties in retaining trial participants can result in increased costs, longer development times or termination of a clinical trial. Clinical trials of a new product candidate require the enrolment of a sufficient number of patients, including patients who are suffering from the disease the product candidate is intended to treat and who meet other eligibility criteria. Rates of patient enrolment are affected by many factors, including the size of the patient population, the eligibility criteria for the clinical trial, that include the age and condition of the patients and the stage and severity of disease, the nature of the protocol, the proximity of patients to clinical sites and the availability of effective treatments and/or availability of investigational treatment options for the relevant disease.

A product candidate can unexpectedly fail at any stage of preclinical and clinical development. The historical failure rate for product candidates is high due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables. The results from preclinical testing or early clinical trials of a product candidate may not predict the results that will be obtained in later phase clinical trials of the product candidate. We, the FDA or other applicable regulatory authorities may suspend clinical trials of a product candidate at any time for various reasons, including, but not limited to, a belief that subjects participating in such trials are being exposed to unacceptable health risks or adverse side effects, or other adverse initial experiences or findings. We may not have the financial resources to continue development of, or to enter into collaborations for, a product candidate if we experience any problems or other unforeseen events that delay or prevent regulatory approval of, or our ability to commercialize, product candidates, including:

- inability to obtain sufficient funds required for a clinical trial;
- inability to reach agreements on acceptable terms with prospective contract research organizations and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different contract research organizations and trial sites;
- negative or inconclusive results from our clinical trials or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- serious and unexpected drug-related side effects experienced by subjects in our clinical trials or by individuals using drugs similar to our product candidates;
- conditions imposed by the FDA or comparable foreign authorities regarding the scope or design of our clinical trials;
- delays in enrolling research subjects in clinical trials;
- high drop-out rates and high fail rates of research subjects;
- inadequate supply or quality of product candidate components or materials or other supplies necessary for the conduct of our clinical trials;
- greater than anticipated clinical trial costs;
- poor effectiveness of our product candidates during clinical trials; or
- unfavourable FDA or other regulatory agency inspection and review of a clinical trial site or vendor.

We have only recently commenced clinical trials and have never submitted an NDA, and any product candidate we advance through clinical trials may not have favourable results in later clinical trials or receive regulatory approval.

Clinical failure can occur at any stage of our clinical development. Clinical trials may produce negative or inconclusive results, and our collaborators or we may decide, or regulators may require us, to conduct additional clinical trials or nonclinical studies. In addition, data obtained from trials and studies are susceptible to varying interpretations, and regulators may not interpret our data as favourably as we do, which may delay,

limit, or prevent regulatory approval. Success in preclinical studies and early clinical trials does not ensure that subsequent clinical trials will generate the same or similar results or otherwise provide adequate data to demonstrate the efficacy and safety of a product candidate. A number of companies in the pharmaceutical industry, including those with greater resources and experience than us, have suffered significant setbacks in clinical trials, even after seeing promising results in earlier clinical trials. The commencement and completion of future clinical studies could be substantially delayed or prevented by several factors, including, but not limited to:

- a limited number of, and competition for, suitable patients with particular types of cancer for enrolment in our clinical studies;
- delays or failures in reaching acceptable clinical study agreement terms;
- failure of patients to complete the clinical study; and
- unforeseen safety issues.

In addition, the design of a clinical trial can determine whether its results will support approval of a product and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. We may be unable to design and execute a clinical trial to support regulatory approval. Further, clinical trials of potential products often reveal that it is not practical or feasible to continue development efforts.

If any of our drug product candidates are found to be unsafe or lack efficacy, we will not be able to obtain regulatory approval for it and our business would be harmed.

In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in composition of the patient populations, adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. We do not know whether any clinical trials we or any of our potential future collaborators may conduct will demonstrate the consistent or adequate efficacy and safety that would be required to obtain regulatory approval and market any products. If we are unable to bring any of our drug candidates to market, or to acquire other products that are on the market or can be developed, our ability to create long-term stockholder value will be limited.

Our product candidates may have undesirable side effects that may delay or prevent marketing approval, or, if approval is received, require them to be taken off the market, require them to include safety warnings or otherwise limit their sales.

Unforeseen side effects from any of our product candidates could arise either during clinical development or, if any product candidates are approved, after the approved product has been marketed.

The range and potential severity of possible side effects from oncology therapies such as our drug candidates are significant. If any of our drug candidates cause undesirable or unacceptable side effects in the future, this could interrupt, delay or halt clinical trials and result in the failure to obtain or suspension or termination of marketing approval from the FDA and other regulatory authorities or result in marketing approval from the FDA and other regulatory authorities only with restrictive label warnings or other limitations.

If any of our product candidates receives marketing approval and we or others later identify undesirable or unacceptable side effects caused by such products:

- regulatory authorities may require the addition of labelling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies;
- we may be required to change instructions regarding the way the product is administered, conduct additional clinical trials or change the labelling of the product;
- we may be subject to limitations on how we may promote the product;
- sales of the product may decrease significantly;

- regulatory authorities may require us to take our approved product off the market;
- we may be subject to litigation or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us or our potential future collaborators from achieving or maintaining market acceptance of the affected product or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating significant revenues from the sale of our products.

If the FDA does not find the manufacturing facilities of our future contract manufacturers acceptable for commercial production, we may not be able to commercialize any of our product candidates.

We do not intend to manufacture the pharmaceutical products that we plan to sell. The facilities used by any contract manufacturer to manufacture any of our product candidates must be the subject of a satisfactory inspection before the FDA approves the product candidate manufactured at that facility. We are completely dependent on these third-party manufacturers for compliance with the requirements of U.S. and non-U.S. regulators for the manufacture of our finished products. If our manufacturers cannot successfully manufacture material that conform to our specifications and the FDA's current good manufacturing practice standards, and other requirements of any governmental agency whose jurisdiction to which we are subject, our product candidates will not be approved or, if already approved, may be subject to recalls or other negative actions. Reliance on third-party manufacturers entails risks to which we would not be subject if we manufactured our product candidates, including:

- the possibility that we are unable to enter into a manufacturing agreement with a third party to manufacture our product candidates;
- the possible breach of the manufacturing agreements by the third parties because of factors beyond our control; and
- the possibility of termination or nonrenewal of the agreements by the third parties before we are able to arrange for a qualified replacement third-party manufacturer.

Any of these factors could cause the delay of approval or commercialization of our product candidates, cause us to incur higher costs or prevent us from commercializing our product candidates successfully. Furthermore, if any of our product candidates are approved and contract manufacturers fail to deliver the required commercial quantities of finished product on a timely basis at commercially reasonable prices and we are unable to find one or more replacement manufacturers capable of production at a substantially equivalent cost, in substantially equivalent volumes and quality and on a timely basis, we would likely be unable to meet demand for our products and could lose potential revenue. It may take several years to establish an alternative source of supply for our product candidates and to have any such new source approved by the government agencies that regulate our products.

We have no sales, marketing or distribution experience and we will have to invest significant resources to develop those capabilities or enter into acceptable third-party sales and marketing arrangements.

We have no sales, marketing or distribution experience. To develop sales, distribution and marketing capabilities, we will have to invest significant amounts of financial and management resources, some of which will need to be committed prior to any confirmation that our product candidates will be approved by the FDA. For product candidates where we decide to perform sales, marketing and distribution functions ourselves or through third parties, we could face a number of additional risks, including that we or our third-party sales collaborators may not be able to build and maintain an effective marketing or sales force. If we use third parties to market and sell our products, we may have limited or no control over their sales, marketing and distribution activities on which our future revenues may depend.

We may not be successful in establishing and maintaining development and commercialization collaborations, which could adversely affect our ability to develop certain of our product candidates and our financial condition and operating results.

Because developing pharmaceutical products, conducting clinical trials, obtaining regulatory approval, establishing manufacturing capabilities and marketing approved products are expensive, we may seek to enter into collaborations with companies that have more experience. Additionally, if any of our product candidates receives marketing approval, we may enter into sales and marketing arrangements with third parties with respect to our unlicensed territories. If we are unable to enter into arrangements on acceptable terms, if at all, we may be unable to effectively market and sell our products in our target markets. We expect to face competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement and they may require substantial resources to maintain. We may not be successful in our efforts to establish and implement collaborations or other alternative arrangements for the development of our product candidates.

When we collaborate with a third party for development and commercialization of a product candidate, we can expect to relinquish some or all of the control over the future success of that product candidate to the third party. One or more of our collaboration partners may not devote sufficient resources to the commercialization of our product candidates or may otherwise fail in their commercialization. The terms of any collaboration or other arrangement that we establish may contain provisions that are not favourable to us. In addition, any collaboration that we enter into may be unsuccessful in the development and commercialization of our product candidates. In some cases, we may be responsible for continuing preclinical and initial clinical development of a product candidate or research program under a collaboration arrangement, and the payment we receive from our collaboration partner may be insufficient to cover the cost of this development. If we are unable to reach agreements with suitable collaborators for our product candidates, we would face increased costs, we may be forced to limit the number of our product candidates we can commercially develop or the territories in which we commercialize them. As a result, we might fail to commercialize products or programs for which a suitable collaborator cannot be found. If we fail to achieve successful collaborations, our operating results and financial condition could be materially and adversely affected.

We face competition from other biotechnology and pharmaceutical companies and our operating results will suffer if we fail to compete effectively.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. We have competitors in the United States, Europe and other jurisdictions, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical and generic drug companies and universities and other research institutions. Many of our competitors have greater financial and other resources, such as larger research and development staff and more experienced marketing and manufacturing organizations than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining regulatory approvals, recruiting patients and manufacturing pharmaceutical products. These companies also have significantly greater research, sales and marketing capabilities and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. As a result of all of these factors, our competitors may succeed in obtaining patent protection and/or FDA approval or discovering, developing and commercializing drugs for the diseases that we are targeting before we do or may develop drugs that are deemed to be more effective or gain greater market acceptance than ours. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. In addition, many universities and private and public research institutes may become active in our target disease areas. Our competitors may succeed in developing, acquiring or licensing on an exclusive basis, technologies and drug products that are more effective or less costly than any of our product candidates that we are currently developing or that we may develop, which could render our products obsolete or non-competitive.

If our competitors market products that are more effective, safer or less expensive or that reach the market sooner than our future products, if any, we may not achieve commercial success. In addition, because of our limited resources, it may be difficult for us to stay abreast of the rapid changes in each technology. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological

advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

The intellectual property rights we have licensed from other organizations are subject to the rights of the U.S. government.

We have obtained a royalty-bearing, worldwide, exclusive license to intellectual property rights from other organizations. Some of our licensed intellectual property rights have been developed in the course of research funded by the U.S. government. As a result, the U.S. government may have certain rights to intellectual property embodied in our current or future products pursuant to the Bayh-Dole Act of 1980. Government rights in certain inventions developed under a government-funded program include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right to require us, or an assignee or exclusive licensee to such inventions, to grant licenses to any of these inventions to a third party if they determine that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs; (iii) government action is necessary to meet requirements for public use under federal regulations; or (iv) the right to use or sell such inventions is exclusively licensed to an entity within the U.S. and substantially manufactured outside the U.S. without the U.S. government's prior approval. Additionally, we may be restricted from granting exclusive licenses for the right to use or sell our inventions created pursuant to such agreements unless the licensee agrees to additional restrictions (e.g., manufacturing substantially all of the invention in the U.S.). The U.S. government also has the right to take title to these inventions if we fail to disclose the invention to the government and fail to file an application to register the intellectual property within specified time limits. In addition, the U.S. government may acquire title in any country in which a patent application is not filed within specified time limits. Additionally, certain inventions are subject to transfer restrictions during the term of these agreements and for a period thereafter, including sales of products or components, transfers to foreign subsidiaries for the purpose of the relevant agreements, and transfers to certain foreign third parties. If any of our intellectual property becomes subject to any of the rights or remedies available to the U.S. government or third parties pursuant to the Bayh-Dole Act of 1980, this could impair the value of our intellectual property and could adversely affect our business.

We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights.

We may from time to time seek to enforce our intellectual property rights against infringers when we determine that a successful outcome is probable and may lead to an increase in the value of the intellectual property. If we choose to enforce our patent rights against a party, then that individual or company has the right to ask the court to rule that such patents are invalid or should not be enforced. Additionally, the validity of our patents and the patents we have licensed may be challenged if a petition for post grant proceedings such as inter-partes review and post grant review is filed within the statutorily applicable time with the U.S. Patent and Trademark Office ("**USPTO**"). These lawsuits and proceedings are expensive and would consume time and resources and divert the attention of managerial and scientific personnel even if we were successful in stopping the infringement of such patents. In addition, there is a risk that the court will decide that such patents are not valid and that we do not have the right to stop the other party from using the inventions. There is also the risk that, even if the validity of such patents is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe our intellectual property rights. In addition, in recent years the U.S. Supreme Court modified some tests used by the USPTO in granting patents over the past 20 years, which may decrease the likelihood that we will be able to obtain patents and increase the likelihood of a challenge of any patents we obtain or license.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that these employees, or we, have used or disclosed trade secrets

or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and products could be significantly diminished.

We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We will need to expand our operations and increase the size of our company, and we may experience difficulties in managing growth.

As of May 28, 2019, we have 11 full-time and four part-time employees. As we advance our product candidates through preclinical studies and clinical trials, we will need to increase our product development, scientific and administrative headcount to manage these programs. In addition, to meet our obligations as a public company, we may need to increase our general and administrative capabilities. Our management, personnel and systems currently in place may not be adequate to support this future growth. If we are unable to successfully manage this growth and increased complexity of operations, our business may be adversely affected.

We may not be able to manage our business effectively if we are unable to attract and retain key personnel and consultants.

We may not be able to attract or retain qualified management, finance, scientific and clinical personnel and consultants due to the intense competition for qualified personnel and consultants among biotechnology, pharmaceutical and other businesses. If we are not able to attract and retain necessary personnel and consultants to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

We are highly dependent on the development, regulatory, commercialization and business development expertise of our management team, key employees and consultants. If we lose one or more of our executive officers or key employees or consultants, our ability to implement our business strategy successfully could be seriously harmed. Any of our executive officers or key employees or consultants may terminate their employment at any time. Replacing executive officers, key employees and consultants may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain regulatory approval of and commercialize products successfully. Competition to hire and retain employees and consultants from this limited pool is intense, and we may be unable to hire, train, retain or motivate these additional key personnel and consultants. Our failure to retain key personnel or consultants could materially harm our business.

In addition, we have scientific and clinical advisors and consultants who assist us in formulating our research, development and clinical strategies. These advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us and typically they will not enter into non-compete agreements with us. If a conflict of interest arises between their work for us and their work for another entity, we may lose their services. In addition, our advisors may have arrangements with other companies to assist those companies in developing products or technologies that may compete with ours.

We do not expect that our insurance policies will cover all of our business exposures thus leaving us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. Although we intend to obtain product insurance before we commence any clinical trials, there can be no assurance that we will secure adequate insurance coverage or that any such insurance coverage will be sufficient to protect our operations to significant potential liability in the future. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our financial position and results of operations.

Additionally, we use hazardous materials, and any claims relating to improper handling, storage or disposal of these materials could be time-consuming or costly. We do not carry specific hazardous waste insurance coverage and our property and casualty and general liability insurance policies specifically exclude coverage for damages and fines arising from hazardous waste exposure or contamination.

We may incur penalties if we fail to comply with healthcare regulations.

We are exposed to the risk of employee fraud or other illegal activity by our employees, independent contractors, consultants, commercial partners and vendors. In addition to FDA restrictions on the marketing of pharmaceutical products, several other types of state and federal laws have been applied to restrict certain marketing practices in the pharmaceutical and medical device industries in recent years, as well as consulting or other service agreements with physicians or other potential referral sources. These laws include anti-kickback statutes and false claims statutes that prohibit, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce, or, in return for, purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally-financed healthcare programs, and knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to get a false claim paid. The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services, reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payer. Although there are a number of statutory exemptions and regulatory safe harbors protecting certain common activities from prosecution, the exemptions and safe harbors are drawn narrowly, and any practices we adopt may not, in all cases, meet all of the criteria for safe harbor protection from anti-kickback liability. Sanctions under these federal and state laws may include civil monetary penalties, exclusion of a manufacturer's products from reimbursement under government programs, criminal fines and imprisonment. Any challenge to our business practices under these laws could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to recover from any catastrophic event affecting our suppliers.

Our suppliers may not have adequate measures in place to minimize and recover from catastrophic events that may substantially destroy their capability to meet customer needs, and any measures they may in place may not be adequate to recover production processes quickly enough to support critical timelines or market demands. These catastrophic events may include weather events such as tornadoes, earthquakes, floods or fires. In addition, these catastrophic events may render some or all of the products at the affected facilities unusable.

We may be materially adversely affected in the event of cyber-based attacks, network security breaches, service interruptions, or data corruption.

We rely on information technology to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities. We use technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal, and tax requirements. Our information technology systems, some of which are managed by third-parties, may be susceptible to damage, disruptions or shutdowns due to computer viruses, attacks by computer hackers, failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors

or catastrophic events. Although we have developed systems and processes that are designed to protect proprietary or confidential information and prevent data loss and other security breaches, such measures cannot provide absolute security. If our systems are breached or suffer severe damage, disruption or shutdown and we are unable to effectively resolve the issues in a timely manner, our business and operating results may significantly suffer and we may be subject to litigation, government enforcement actions or potential liability. Security breaches could also cause us to incur significant remediation costs, result in product development delays, disrupt key business operations, including development of our product candidates, and divert attention of management and key information technology resources.

Success of Quality Control Systems

The quality and safety of our products are critical to the success of our business and operations. As such, it is imperative that our and our service providers' quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although we strive to ensure that all of our service providers have implemented and adhere to high-caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on our business and operating results.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Schedule "E"

Pro Forma Financial Statements of the Company

Westcot Ventures Corp.

PRO-FORMA
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019
(In Canadian dollars)

PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited – prepared by management)

	WPD Pharmaceuticals	Wescot Ventures Corp			Pro-forma Consolidated
	As at September 30, 2019	As at October 31, 2019	Note 2		As at September 30, 2019
ASSETS					
Current assets					
Cash	7,805	195,665	(c)	2,819,772	
			(a)	(150,000)	2,873,242
Receivables	2,529	58,441			60,970
Prepaid expenses	-	26,690			26,690
Loan receivable	-	203,195	(d)	(203,195)	-
Subscriptions receipts held in trust	-	2,819,772	(c)	(2,819,772)	-
	10,334	3,303,763		(353,195)	2,960,902
Other assets					
Right of use asset	109,060	-			109,060
Intangible assets	267,745	-			267,745
Equipment	29,451	-			29,451
TOTAL ASSETS	**416,590**	**3,303,763**		**(353,195)**	**3,367,158**
LIABILITIES					
Accounts payable and accrued liabilities	1,350,163	80,089			1,430,252
Loans payable	735,789	-	(b)	(309,402)	
			(d)	(203,195)	223,192
Interest payable	-	15,963			15,963
Lease liability	112,606	-			112,606
Subscriptions receipts	-	2,747,409	(c)	(2,747,409)	-
TOTAL LIABILITIES	2,198,558	2,843,461		(3,260,006)	1,782,013
SHAREHOLDERS' EQUITY					
Share capital	1,752	3,440,770	(b)	309,402	
			(b)	404,928	
			(c)	2,747,409	
			(a)	(3,440,770)	16,280,628
			(a)	11,242,137	
			(a)	1,575,000	
Subscriptions received in advance	404,928	-	(b)	(404,928)	-
Accumulated other Comprehensive income	28,733				28,733
Reserves	-	105,298	(a)	(105,298)	-
Deficit	(2,217,381)	(3,085,766)			
			(a)	(12,506,835)	
			(a)	3,085,766	(14,724,216)
TOTAL SHAREHOLDERS' EQUITY	(1,781,968)	460,302		2,906,811	1,585,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**416,590**	**3,303,763**		**(353,195)**	**3,367,158**

PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER
NOTES TO PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019
(Unaudited – prepared by management)

1. BASIS OF PRESENTATION

The accompanying unaudited pro-forma consolidated statement of financial position of WPD Pharmaceuticals (the "Company", "WPD") has been prepared by management in accordance with International Financial Reporting Standards from information derived from the financial statements of the Company and the financial statements of Westcot Ventures Corp. ("Westcot"), together with other information available to the Company. The unaudited pro-forma consolidated statement of financial position has been prepared for inclusion in the Form 2A dated December 20, 2019. The acquisition is subject to a number of conditions including, among other things, regulatory approval. In the opinion of management, the pro-forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the transactions as described below.

The unaudited pro-forma consolidated statement of financial position of the Company has been compiled from and includes the unaudited interim financial statements of the Company for the nine months ended September 30, 2019 and the unaudited interim financial statements of Westcot for the nine months ended October 31, 2019. The unaudited pro-forma consolidated statement of financial position has been prepared as if the transactions described in Note 2 had occurred on September 30, 2019.

The unaudited pro-forma consolidated statement of financial position is not intended to reflect the financial position of the Company which would have actually resulted had the proposed transactions described in Note 2 and other pro-forma adjustments occurred as assumed. Further, this unaudited pro-forma consolidated statement of financial position is not necessarily indicative of the financial position that may be attained in the future. The unaudited pro-forma consolidated statement of financial position should be read in conjunction with the financial statements disclosed above.

2. PRO-FORMA ASSUMPTIONS

The unaudited pro-forma consolidated statement of financial position incorporates the following pro-forma assumptions:

(a) The acquisition of Westcot by WPD is summarized as follows:

Purchase price – value of equity issued	$	11,242,137
Transaction costs		
Finders fees (4.5 million common shares)		1,575,000
Estimated professional fees		150,000
	$	12,967,137
Fair value of net assets acquired		
Cash		195,665
Receivables		58,441
Prepaid expenses		26,690
Loan receivable		203,195
Subscriptions held in trust		2,819,772
Accounts payable and accrued liabilities		(80,089)
Interest payable		(15,963)
Subscription receipts		(2,747,409)
	$	460,302
Listing expense	$	12,506,835

(b) Included in the 67,000,000 shares issued by Westcot for acquisition of WPD are 600 common shares for proceeds already received of $404,928 and 17,079 common shares for the settlement of debt of $309,402.

(c) On completion of the Plan of Exchange, Westcot will exchange the $2,747,409 subscription receipts for 7,899,996 common shares and $2,819,772 principal and interest will be released from trust to the Company.

(d) On completion of the Plan of Exchange, the bridge loan of $200,000 and interest of $3,195 will be eliminated as inter-company.

3. SHARE CAPITAL

Capital Stock as at September 30, 2019 in the unaudited pro-forma consolidated statement of financial position is comprised of the following in each financing scenario:

	Shares	Share Capital
Balance September 30, 2019	32,120,392	$ 3,440,770
Common shares issued to WPD upon Acquisition	67,000,000	11,242,137
Transaction costs upon Acquisition	4,500,000	1,575,000
Elimination of Westcot share capital	-	(3,440,770)
WPD common shares issued and outstanding at Sept 30, 2019	-	1,752
WPD share capital for subscriptions and debt eliminated	-	714,330
Conversion of subscription receipts	7,899,996	2,747,409
Balance	111,520,388	$ 16,280,628

4. PRO FORMA EFFECTIVE INCOME TAX RATE

The pro forma effective income tax rate that will be applicable to the consolidated operations of the Company is 34%.