

*This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. This non-offering prospectus does not constitute a public offering of securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

## NON-OFFERING PROSPECTUS

NON-OFFERING  
PROSPECTUS

December 5, 2018

**ACME RESOURCES CORP.**  
20 Adelaide Street East, Suite 200  
Toronto, Ontario M5C 2T6  
Canada

### **No securities are being offered pursuant to this Prospectus.**

This non-offering prospectus (the “**Prospectus**”) is being filed with the Ontario Securities Commission for the purpose of allowing Acme Resources Corp. (“**ACME**” or the “**Company**”) to comply with Policy 2 – *Qualifications for Listing* of the Canadian Securities Exchange in order for the Company to meet one of the eligibility requirements for the listing of ACME's common shares (the “**Common Shares**”) on the Canadian Securities Exchange (“**CSE**” or the “**Exchange**”). Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general funds.

ACME has applied for a listing (the “**Listing**”) of its Common Shares on the CSE; the Company has received conditional approval from the CSE for such a Listing.

**There is currently no market through which any of the securities of the Company may be sold and holders of the Company’s securities may not be able to resell any such securities. This may affect the pricing of the Company’s securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.**

**No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence investigations in respect of the contents of this Prospectus.**

**RDT is currently the defendant in a lawsuit regarding its main proprietary product, QuickStrip™, and if RDT’s defence is not successful, RDT could suffer damages and/or could be subjected to an injunction, either of which could cause RDT to cease operation. See “*Risk Factors for the RDT Business - Risks Related to RDT’s Intellectual Property*”.**

**An investment in the Common Shares of the Company or the Resulting Issuer (as defined herein) should be considered highly speculative and involves a high degree of risk that should be considered by potential purchasers. There is no guarantee that an investment in the Company or the Resulting Issuer will earn any positive return in the short or long term. An investment in the Company or the Resulting Issuer is appropriate only for investors who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. There are certain risk factors associated with an investment in the Common Shares. The risk factors included in this Prospectus should be reviewed carefully and evaluated by prospective purchasers of Common Shares. See “*Risk Factors Regarding the Company*”, “*Risk Factors for the RDT Business*” and “*Forward-Looking Information*”.**

**This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.**

The registered and head office of the Company is 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6.

## ADVISORY

Prospective investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of an investment in the Common Shares. Prospective investors should rely only on the information contained in this Prospectus and should not rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not authorized anyone to provide additional or different information than is contained herein. If anyone provides a prospective investor with additional, different or inconsistent information, including statements in the media about the Company, such information should not be relied on.

The information contained in this Prospectus is accurate only as of the date of this Prospectus or as of the date stated. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

As used in this Prospectus, the terms "we", "us", "our", "ACME" and "Company" mean ACME Resources Corp., unless otherwise indicated.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) the intention to complete the Reverse Take-Over; (B) the description of the Resulting Issuer that assumes completion of the Reverse Take-Over; and (C) the intention to grow the business and operations of the Resulting Issuer. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Prospectus. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the ability of the Company to obtain necessary financing, satisfy conditions under the Amalgamation Agreement, satisfy the requirements of the Exchange with respect to the Reverse Take-Over and the Listing, the economy generally, changes in government regulations, retention of skilled management and staff, consumer interest in the services and products of the Resulting Issuer, competition, and anticipated and unanticipated costs. Such statements could also be materially affected by the impact of general imprecision of environmental risks, environmental regulation, taxation policies, competition, the lack of available and qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal or external sources. Actual results, performance or achievement could differ materially from those expressed herein. While the Company anticipates that subsequent events and developments may cause its views to change, the forward-looking statements are included to allow the reader to understand our current working capital position, and may not be appropriate for other purposes. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this Prospectus. 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. There can be 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.

The factors identified above are not intended to represent a complete list of the factors that could affect the Company and the Resulting Issuer. Additional factors are noted in this Prospectus under "*Risk Factors Regarding the Company*", "*Risk Factors for the RDT Business*".

## GENERAL DISCLOSURE INFORMATION

The Company is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus. No person has been authorized by the Company to give any information or make any representations in connection with the transactions herein described other than those contained in this Prospectus and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus.

### Definitions and Selected Abbreviations

Various terms used in this Prospectus, including the cover pages, are defined under “*Glossary*”. Unless the context otherwise requires, use in this Prospectus of the “Resulting Issuer”, “we”, “us” or “our” means the Resulting Issuer and assumes that the steps outlined under “Amalgamation – Reverse Take-Over of the Company” have been completed.

### Certain Information

Unless otherwise indicated or the context otherwise requires, all dollar amounts contained in this Prospectus are in Canadian dollars. Aggregated figures in graphs, charts and tables contained in this Prospectus may not add due to rounding. Historical statistical data and/or historical returns are not necessarily indicative of future performance. Unless otherwise indicated, the market and industry data contained in this Prospectus is based upon information from industry and other publications and the knowledge of management and experience of the Company in the markets in which ACME operates. While management of ACME believes that this data is reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. ACME has not independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources.

Words importing the singular number include the plural and vice versa, and words importing any gender or the neuter include both genders and the neuter.

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## GLOSSARY

“**ACME**” means ACME Resources Corp., a corporation incorporated under the OBCA;

“**Amalgamation**” means the amalgamation of RDT and Subco to continue as one corporation under the BCBCA pursuant to the Amalgamation Agreement;

“**Amalgamation Agreement**” means the amended and restated amalgamation agreement dated as of July 11, 2018 made among ACME, RDT and Subco, providing for the Amalgamation, as such agreement may be amended, supplemented and/or restated from time to time, in accordance with its terms, a copy of which is attached hereto as Appendix “C”;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**Board**” means the Board of Directors of the Company, RDT or the Resulting Issuer, as the context requires;

“**Certificate of Amalgamation**” means a certificate of amalgamation issued by the Registrar under the BCBCA giving effect to the Amalgamation;

“**Common Shares**” or “**ACME Shares**” or “**Resulting Issuer Shares**” means the common shares, as presently constituted, in the capital of the Company;

“**Company**” means ACME;

“**CSE**” means the Canadian Securities Exchange;

“**CTT**” means CTT Pharmaceutical Holdings Inc.;

“**CTT Claim**” means the claim brought against RDT by CTT as described on page 59 of this Prospectus;

“**Definitive Agreement**” means the amalgamation agreement dated April 6, 2018 between ACME and RDT, and amended by the Amalgamation Agreement among ACME, RDT and Subco;

“**Effective Date**” means the date shown on the Certificate of Amalgamation;

“**Effective Time**” means 12:01a.m. (Burlington Time) on the Effective Date;

“**Escrow Commencement Date**” means the first day of trading of the Common Shares on the CSE;

“**Escrowed Securities**” means approximately 51,906,140 of the Exchange Shares to be issued on completion of the Amalgamation and placed in escrow;

“**Exchange**” means the Canadian Securities Exchange;

“**Exchange Shares**” means the Common Shares that RDT shareholders will receive in exchange for their RDT Shares pursuant to the Amalgamation;

“**Gambier**” means Gambier Holdings Corp.;

“**Going Public Transaction Proposal**” means: (i) an initial public offering in Canada of RDT Shares with a concurrent listing on a recognized Canadian stock exchange; or (ii) a transaction which provides holders of RDT Shares with comparable liquidity to such a public offering whether by means of (A) an acquisition from RDT or the holders of any securities of RDT (other than on exercise of currently outstanding RDT Warrants); (B) any acquisition of a significant amount of the assets of RDT; (C) an amalgamation, arrangement, merger, or consolidation involving RDT; or (D) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation,



dissolution, reorganization into a royalty trust or income fund or similar transaction involving RDT or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by the Amalgamation Agreement or the Amalgamation or which would or could reasonably be expected to materially reduce the benefits to ACME under the Amalgamation Agreement or the Amalgamation;

“**Insider**”, if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of a company that is an Insider or subsidiary of the 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 the issuer; or
- (d) the issuer itself if it holds any of its own securities;

“**Listing**” means the listing of the Resulting Issuer’s Common Shares on the CSE following receipt for the filing of this Prospectus;

“**NEX**” means the trading platform or board of the TSXV known as “NEX”;

“**NI-41-101**” means National Instrument 41-101 – *General Prospectus Requirements* issued by the the Canadian Securities Administrators;

“**NI-45-102**” means National Instrument 45-102 – *Resale of Securities* issued by the Canadian Securities Administrators;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions* issued by the Canadian Securities Administrators;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees* issued by the Canadian Securities Administrators;

“**N/A**” means not applicable;

“**OBCA**” means the *Business Corporations Act (Ontario)*;

“**Prospectus**” means this long-form non-offering prospectus of ACME;

“**RDT**” means Rapid Dose Therapeutics Inc., a corporation incorporated under the BCBCA;

“**RDT-PP**” means the private placements completed in various tranches between July 25, 2017 and July 25, 2018 by RDT of 4,910,000 RDT Shares at a price of \$0.50 per share for aggregate gross proceeds of \$2,455,000;

“**RDT-PP2**” means the private placement completed on August 27, 2018 by RDT of 7,200,000 RDT Shares at a price of \$0.75 per share for aggregate gross proceeds of \$5,400,000;

“**RDT Shares**” means the common shares, as presently constituted, in the capital of RDT;

“**RDT Warrants**” means the warrants issued by RDT entitling the holders thereof to acquire RDT Shares, as presently constituted, in the capital of RDT at \$0.75 per share within five months after the date of the Listing of the Resulting Issuer’s shares on the Exchange;

**“Resulting Issuer”** means the Company, as specifically referred to in this Prospectus, following completion of the Amalgamation;

**“Reverse Take-Over”** means the Transaction pursuant to which the Company will indirectly acquire the business of RDT and the shareholders of RDT will acquire control of the Resulting Issuer;

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval for the filing of disclosure documents by reporting issuers in Canada, accessible at [www.sedar.com](http://www.sedar.com);

**“Subco”** means 1163926 B.C. Ltd., a corporation incorporated under the BCBCA as a wholly-owned subsidiary of ACME;

**“Superior Proposal”** means an unsolicited written *bona fide* Going Public Transaction Proposal in respect of RDT or Take-Over Proposal in respect of ACME, which the RDT Board or ACME Board, as applicable, determines in good faith after consultation with its financial advisors: (i) constitutes a transaction reasonably capable of being completed (taking into account all legal, financial, regulatory and other considerations) which is fully financed or which there is a reasonable likelihood that any required financing will be obtained; (ii) would, if consummated in accordance with its terms, result in a transaction financially superior to the Amalgamation for holders of RDT Shares or ACME Shares, as applicable; and (iii) after receiving the advice of outside counsel, as applicable, that the failure to take such action would be inconsistent with the fiduciary duties of the RDT Board or the ACME Board, as applicable under applicable laws, and will not result in a breach of the Amalgamation Agreement;

**“Take-Over Proposal”** means, where used in relation to RDT or ACME, as the case may be, other than the Amalgamation, a bid, or offer to acquire 20% or more of the outstanding RDT Shares or ACME Shares, as applicable, or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization or a similar transaction or other business combination involving RDT or ACME, as the case may be, or any proposal, offer or agreement to acquire 20% or more of the assets of RDT or ACME, as the case may be;

**“Transaction”** means the combination of the change of name of the Company, the Amalgamation, the issuance of the Exchange Shares to holders of the RDT Shares in connection therewith and all related corporate steps contemplated by the Amalgamation Agreement; and

**“TSXV”** means the TSX Venture Exchange.

## **Appendices**

The following Appendices attached hereto are incorporated herein by reference and form an integral part of this Prospectus:

- A - Audited Financial Statements of the Company for the years ended September 30, 2017 and 2016 and unaudited interim condensed financial statements for the 3-month and 9-month periods ended June 30, 2018.
- B - Management’s Discussion and Analysis of the Company for the year ended September 30, 2017 and for the 3-month and 9-month periods ended June 30, 2018.
- C - Amalgamation Agreement.
- D - Audited Consolidated Financial Statements of RDT for the period from incorporation on May 3, 2017 to February 28, 2018 and unaudited interim consolidated financial statements for the 3 months and 6 months ended August 31, 2018 and 2017.
- E - Management’s Discussion and Analysis of RDT’s consolidated financial statements for the period from incorporation on May 3, 2017 to February 28, 2018 and for the 6 months ended August 31, 2018.

F - Audit Committee Charter of the Company.

G - Pro Forma Financial Statements for the Resulting Issuer as at August 31, 2018.

## SUMMARY OF THE PROSPECTUS

The following is a summary of some of the information contained in this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Unless otherwise defined in this Prospectus, all capitalized terms used herein shall have the meaning ascribed thereto under the heading “*Glossary*”.

### The Company

ACME was incorporated under the OBCA on February 27, 2008. The Company’s registered office and head office is located at 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6. The Company’s Common Shares do not currently trade on any stock exchange. See “*Corporate Structure*”. As of the date of this Prospectus, the Company has 5,272,190 Common Shares issued and outstanding.

### Principal Business of the Company

ACME was originally listed as a capital pool company as defined in Policy 2.4 of the TSXV and most recently traded on the NEX Tier of the TSXV under the symbol ACY.H. Since incorporation, the Company has been actively engaged in the identification of target companies for the purposes of completing a qualifying transaction (“**QT**”). The Company competed with many capital pool companies that were seeking a suitable QT and was unable to complete a QT within the prescribed time period under Policy 2.4 of the TSXV. As a result, trading of the Common Shares of the Company was transferred to the NEX in May 2012. Trading of ACME Shares on the NEX was halted in December 2015 and subsequently suspended from trading on the NEX by the TSXV on February 22, 2018. Effective at the close of business on March 28, 2018, the Company’s Common Shares were delisted from the NEX by the TSXV.

The Company currently has no active business or assets other than cash, accounts receivable and deferred transaction costs. The Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends.

### Business to be Acquired

On April 9, 2018, the Company announced that it had signed the Definitive Agreement with RDT for a three-cornered amalgamation transaction which would constitute a proposed reverse take-over of the Company. Pursuant to the terms of the Definitive Agreement, also known as the Amalgamation Agreement, a wholly owned subsidiary of ACME will amalgamate with RDT pursuant to a statutory procedure under the BCBCA and, in connection with such Amalgamation, each holder of RDT Shares will receive one Exchange Share of ACME in exchange for each RDT Share and the amalgamated corporation will become a wholly owned subsidiary of ACME (the “**Transaction**”). The Amalgamation Agreement was amended pursuant to an amended and restated Amalgamation Agreement dated as of July 11, 2018 among ACME, RDT and Subco. It is anticipated that, in connection with the Transaction, ACME will issue 64,841,200 Exchange Shares, which shares include Exchange Shares to be issued in exchange for 4,910,000 RDT Shares issued by RDT pursuant to a private placement (the “**RDT-PP**”) and for 7,200,000 RDT Shares issued by RDT pursuant to a recent private placement (the “**RDT-PP2**”) but do not include any Common Shares issuable to Gambier as a fee for its services or issuable pursuant to any exercise of RDT Warrants.

RDT is a private Canadian bio-technology company which has developed proprietary oral and non-invasive drug delivery technologies designed for applications of nutraceuticals, cannabis, active pharmaceutical ingredients, and other healthcare products. RDT has recently started selling natural healthcare products (including vitamin B12 and caffeine) in Canada and in the United States under its QuickStrip™ brand using QuickStrip™ thin-film strips as a product delivery method. RDT also recently obtained its first agreements to provide proprietary oral dissolvable

thin-film production equipment, technology and supplies. Its focus is on the pharmaceutical and healthcare sectors. It has made two trade mark applications in Canada for QuickStrip™, as well as applied for several other trade-marks in Canada, and two trade-mark applications for QuickStrip™ in the United States as well as other trade-mark applications in the United States relating to its business. RDT's product focus is a proprietary oral quick-dissolving drug delivery system, which is capable of rapidly releasing into the blood stream a list of pharmaceuticals, emulsified oils and over-the-counter medicines without being degraded or modified by first pass metabolism in the liver.

RDT specializes in the research, design, manufacturing, and distribution of a proprietary oral rapid-dissolution drug delivery system based on an inert fabrication of a film-forming polymer which it has called QuickStrip™. RDT has filed five provisional patent applications in the United States and plans on filing more in the United States. See "*Business of RDT*" in Part TWO of this Prospectus.

RDT's CEO, Mr. Mark Upsdell, has stated that, "RDT's QuickStrip™ technology gives Rapid Dose Therapeutics first-mover advantage within the pharmaceutical and nutraceutical industries for the delivery of advanced polymer-hosted active ingredients that do not need to be digested by the human body to work. Our policy is to aggressively protect the intellectual property inherent in RDT's products for the benefit of employees, investors, and shareholders. We will file full patent applications on a timely basis to benefit from the provisional patent applications."

RDT's patent portfolio, which, when (and if) the patent application process is successfully completed, will include patents derived from these provisional patent applications, will focus on the delivery of active ingredients, which may be pharmaceutical or nutraceutical in nature, via sublingual and transmucosal dissolution of an orally ingestible thin film (QuickStrip™) to achieve direct and effective delivery of the active ingredient into the bloodstream. The advantage of this type of delivery is that the active ingredient avoids being degraded by dissolution in the highly acidic environment of the stomach, or modified by first-pass metabolism in the liver. RDT's method also allows for delivery of a precise amount of the selected active ingredient into the blood stream, and facilitates empirical observations of efficacy directly correlating with the dosage on the QuickStrip™.

Closing of the Amalgamation Agreement will be subject to any necessary approvals of regulatory authorities and compliance with any required governmental and securities regulations. Closing is also conditional on approval for listing of the ACME Shares on the CSE, which conditional approval has been obtained. Concurrently with the completion of the Amalgamation Agreement, ACME intends to change its name to RAPID DOSE THERAPEUTICS CORP., or another name that is appropriate and reflective of the business of RDT. There is no assurance that the Amalgamation Agreement will be completed on its current terms or at all.

As of the date of this Prospectus, the Amalgamation has not been completed.

### **Business Objectives and Milestones**

The primary objective business objectives for the Company over the next 12 months are:

- (a) to complete the proposed Reverse Take-Over with RDT; and
- (b) to develop RDT's business.

### **No Securities Distributed**

This Prospectus is a non-offering prospectus prepared to meet one of the eligibility requirements for the listing of ACME's Common Shares on the CSE and no securities will be distributed pursuant to this Prospectus. None of the Exchange Shares are qualified pursuant to this Prospectus.

## Proceeds Raised Recently

This Prospectus is a non-offering prospectus and no proceeds will be raised pursuant to this Prospectus. The Company completed a private placement on March 29, 2018 pursuant to which it issued 2,006,000 Common Shares for \$0.25 per share for aggregate gross proceeds of \$501,500. These funds will be used for general working capital purposes while the Company continues its restructuring and works toward closing the Transaction with RDT. See “Use of Proceeds”.

## Listing

The Company has applied for a Listing of its shares on the CSE; the Company has received conditional approval from the CSE. Such a Listing is conditional on the Company fulfilling all of the requirements of the CSE, meeting certain financial and other requirements including receiving a receipt for this non-offering Prospectus from the Ontario Securities Commission. The Company has reserved “DOSE” as its trading symbol with the CSE.

## Directors and Officers

John M. Siriunas	–	President, Chief Executive Officer and Director
Miles Nagamatsu	–	Chief Financial Officer
Jorge Estepa	–	Corporate Secretary
Brian Howlett	–	Director
Kees C. Van Winters	–	Director

## Summary of Financial Information

The table below summarizes selected financial data for the periods indicated and should be read in conjunction with the Financial Statements and the Management’s Discussion and Analysis attached as Appendices “A” and “B” of this Prospectus.

<b>Summary of Select Financial Information is derived from the Company’s audited financial information for the fiscal years ended September 30, 2017 and 2016</b>	<b>September 30, 2017 (\$) (Audited)</b>	<b>September 30, 2016 (\$) (Audited)</b>
Total Revenues	Nil	Nil
Net Income (Loss)	(50,079)	(47,097)
Basic and diluted earnings (loss) per share	(0.01)	(0.01)
Total Assets	17,064	903
Total Long-Term Liabilities	Nil	Nil

## Risk Factors

The activities of the Company are subject to the risks normally encountered in a company undertaking a reverse take-over transaction with a company with a growing business, including: negative operating cash flow; lack of adequate capital; liquidity concerns and future financing requirements to sustain operations; competition; government regulation; completion of the proposed Transaction; and risks associated with the target company’s business including uncertainty regarding penetration of the target market. See “Risk Factors Regarding the Company” and “Risk Factors for the RDT Business”.

## PART ONE – THE COMPANY

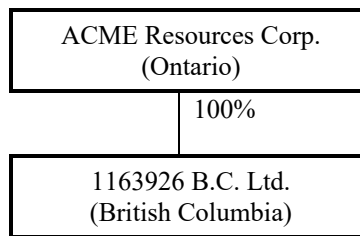
### CORPORATE STRUCTURE OF THE COMPANY

#### Name, address and incorporation

ACME was incorporated under the OBCA on February 27, 2008. The Company’s registered office and head office is located at 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6. The Company's Common Shares do not currently trade on any stock exchange.

#### Intercorporate relationships

The Company currently has one wholly-owned subsidiary, 1163926 B.C. Ltd. (“**Subco**”), a corporation incorporated under the BCBCA on May 11, 2018.



### DESCRIPTION OF THE BUSINESS OF THE COMPANY

ACME was originally listed as a capital pool company as defined in Policy 2.4 of the TSXV and most recently traded on the NEX Tier of the TSXV under the symbol ACY.H. Since incorporation, the Company has been actively engaged in the identification of target companies for the purposes of completing a qualifying transaction (“**QT**”). The Company competed with many capital pool companies that were seeking a suitable QT and was unable to complete a QT within the prescribed time period under Policy 2.4 of the TSXV. As a result, trading of the Common Shares of the Company was transferred to the NEX in May 2012. Trading of ACME Shares on the TSXV/NEX was suspended from trading on February 22, 2018 and the Company was subsequently delisted from the TSXV/NEX as of the close of trading on March, 28, 2018.

The Company currently has no active business or assets other than cash, accounts receivable and deferred transaction costs. The Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends.

#### Two-Year History

The Company completed a non-brokered private placement which closed on November 11, 2015 at which time the Company issued a total of 700,000 Common Shares for \$0.05 per share for gross proceeds of \$35,000.

The Company announced that it entered into a letter of intent dated December 7, 2015 (“**Hantian LOI**”) with Hantian Labs Limited (“**Hantian**”), a private UK corporation, for a business transaction that would result in a reverse take-over of the Company by the shareholders of Hantian, and the listing or trading of the shares of the resulting issuer on the TSXV (the “**Hantian Transaction**”).

The Transaction was subject to TSXV approval and was intended to constitute a QT of the Company as such term is defined in Policy 2.4 of the TSXV. It was intended that the Hantian Transaction be completed by way of a definitive merger, amalgamation or share exchange agreement, provided however that, by mutual agreement, the parties agreed that they may revise the structure to comply with all necessary legal and regulatory requirements, to minimize or eliminate any adverse tax consequences or to increase cost effectiveness. The Hantian Transaction was intended to result in a reverse take-over of the Company by the Hantian’s shareholders. The Hantian Transaction

would have been an arm's length QT, as defined in the policies of the TSXV and, as such, it was not anticipated that the formal approval of the shareholders of the Company was required.

The Company and Hantian agreed to use all commercially reasonable efforts to close the Hantian Transaction by September 30, 2016. The LOI provided that it would terminate in the event the parties fail to enter into a definitive agreement on or prior to January 31, 2016, unless a later date was otherwise mutually agreed to by the parties. Pursuant to the Hantian Transaction, shares of the Company were to be issued to the holders of Hantian shares in exchange for all of the issued and outstanding Hantian shares on the basis of one ACME share for each Hantian share.

On January 29, 2016, the Company announced that it had amended its original Hantian LOI dated December 7, 2015 with Hantian for a business transaction that would result in a reverse take-over of the Company by Hantian, and the listing of the shares of the resulting issuer on the TSXV (the "**First Amendment**"). The Company and Hantian agreed to extend the settlement of a definitive agreement until March 31, 2016 and the closing of the Hantian Transaction until May 31, 2016. On March 29, 2016, the Company and Hantian agreed to extend the settlement of a definitive agreement until July 31, 2016 and the closing of the Transaction until October 31, 2016. On August 18, 2016, the Company announced that its intention to complete a business transaction with Hantian as originally considered in the Hantian LOI had terminated. ACME and Hantian had agreed to the settlement of a definitive agreement by July 31, 2016; acceptable terms and conditions relating to a Definitive Agreement could not be negotiated by the parties in that time frame and the LOI was allowed to expire. The termination fee of \$50,000 was waived by both parties.

In late 2017, the Company embarked upon the process of voluntarily delisting from the TSXV. At the Company's Annual and Special Meeting held on the 24th of October, 2017 ("**Special Meeting**"), the Company received approval of the requisite majority of its shareholders to proceed with a voluntary delisting for the purpose of seeking a listing on an alternative stock exchange.

At the Special Meeting, the Company also received the requisite majority approval of its shareholders to proceed with a consolidation of its Common Shares on a 1:5 (new:old) basis (the "**Consolidation**"). As part of its restructuring strategy the Company decided to proceed with the Consolidation. Concurrent with the Consolidation, the Company cancelled 209,142 options and 750,000 escrowed founders' shares. The record date for the Consolidation was subsequently set at February 5, 2018. A name change for the consolidated Company was also approved by the requisite majority of the Company's shareholders at the Special Meeting; the name change has not yet been implemented.

Pursuant to the Consolidation effective February 16, 2018, 10,080,950 issued and outstanding Common Shares of the Company were consolidated on a one-for-five basis into 2,016,190 issued and outstanding Common Shares of the Company. No fractional shares were issued in connection with the Consolidation; if, as a result of the Consolidation, a shareholder became entitled to a fractional share, such fraction was rounded down to the nearest whole number.

On February 28, 2018, the Company completed a shares-for-debt transaction (the "**Debt Transaction**") whereby ACME issued 1,400,000 post-consolidation Common Shares (being 7,000,000 pre-consolidation Common Shares (of which 2,875,000 pre-consolidation Common Shares were issued to insiders of the Company) at a deemed pre-consolidation price of \$0.025 per Common Share (\$0.125 per share post-consolidation)) in connection with the settlement of \$175,000 in debt. The Debt Transaction was undertaken by ACME in order to conserve capital and improve the Company's balance sheet.

On February 6, 2018, the Company announced that it had signed a letter of intent ("**LOI**") with RDT for a transaction which would constitute a proposed reverse take-over of the Company. On April 6, 2018, the parties entered into a definitive agreement (the "**Definitive Agreement**") for the acquisition by ACME of 100% of the issued share capital of RDT in a reverse take-over transaction (the "**Transaction**"), payable by the issuance of up to 57,130,000 Common Shares of ACME, which shares include additional shares to be issued by RDT pursuant to its private placement (the "**RDT-PP**") prior to closing. The Definitive Agreement was amended as of July 11, 2018 pursuant to an amended and restated Amalgamation Agreement among ACME, RDT and Subco. The maximum number of Common Shares issuable to RDT shareholders was waived in order for RDT to complete RDT-PP2.

RDT is a private Canadian bio-technology company which has developed proprietary enhanced drug delivery technologies designed to improve patient outcomes. RDT owns a proprietary oral fast-dissolving drug delivery system, QuickStrip™, which is capable of rapidly releasing into the blood stream a list of pharmaceuticals, emulsified oils and over-the-counter medicines without being degraded or modified by first pass metabolism in the liver. See “*Business of RDT*” in Part TWO of this Prospectus.

Closing of the Amalgamation Agreement will be subject to any necessary approvals of regulatory authorities and compliance with any required governmental and securities regulations. In addition, closing is also conditional on approval for listing of the Resulting Issuer Shares on the Exchange, for which conditional approval has been obtained. ACME intends to change its name to RAPID DOSE THERAPEUTICS CORP., or another name as appropriate. There is no assurance that the Transaction will be completed in conjunction with completion of the Amalgamation Agreement.

On March 29, 2018, the Company completed a non-brokered private-placement offering of 2,006,000 Common Shares issued at a price of \$0.25 per share for gross proceeds of \$501,500. The proceeds received from the private placement are being used for general working capital purposes while the Company continues its restructuring and works toward completing the Transaction with RDT.

**No Asset-Backed Securities Outstanding**

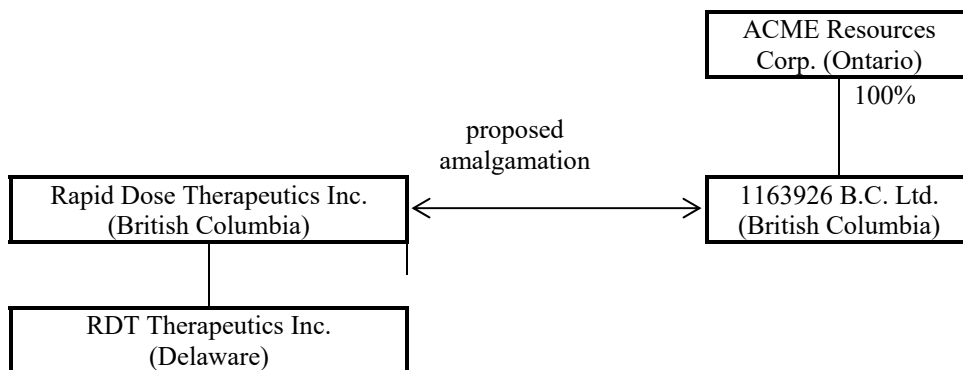
The Company has no asset-backed securities outstanding.

**AMALGAMATION - REVERSE TAKE-OVER OF THE COMPANY**

The Company signed the Amalgamation Agreement with RDT on July 11, 2018 for a three-cornered amalgamation transaction which will constitute a reverse take-over of the Company. Pursuant to the terms of the Amalgamation Agreement, RDT will amalgamate with Subco, a wholly owned subsidiary of ACME, pursuant to a statutory procedure under the BCBCA and, in connection with such Amalgamation, each holder of RDT Shares will receive one Exchange Share of ACME in exchange for each RDT Share, each holder of an RDT Warrant will receive an equal number of warrants from the Resulting Issuer having identical terms and the amalgamated corporation will become a wholly owned subsidiary of ACME (the “**Transaction**”).

RDT is a private Canadian bio-technology company which provides proprietary enhanced drug delivery technologies designed to improve patient outcomes. See “*Business of RDT*” in Part TWO of this Prospectus.

The Company is a reporting issuer in each of Ontario, Alberta and British Columbia.





## **Name Change by the Company**

Immediately prior to the Amalgamation, the Company will file Articles of Amendment under the OBCA to change the Company's name to "Rapid Dose Therapeutics Corp." or another name which is appropriate and reflective of the business of RDT to better align the Resulting Issuer's name with RDT and its business.

## **Amalgamation Agreement**

Pursuant to the terms of the Amalgamation Agreement, RDT and Subco will amalgamate under the BCBCA to form one corporation ("**Amalco**"):

- (a) Amalco's name will be "Rapid Dose Therapeutics Inc."
- (b) Amalco's articles will be the articles of RDT;
- (c) The minimum number of directors of Amalco will be one (1) and the maximum number of directors will be eleven (11);
- (d) The initial directors of Amalco will be:
  - (i) Mark Upsdell,
  - (ii) Jason Lewis,
  - (iii) Brian Howlett, and
  - (iv) Kenneth Fox;
- (e) The initial officers of Amalco will be:
  - (i) Chief Executive Officer – Mark Upsdell
  - (ii) Chief Financial Officer – Lino Fera
- (f) The authorized capital of Amalco will be an unlimited number of common shares;
- (g) The paid-up capital of Amalco will be the aggregate of the paid-up capital of RDT and Subco; and
- (h) Amalco will possess all of the property, assets, rights and privileges and will be subject to all of the liabilities and all of the contracts, disabilities and debts of RDT and Subco.

In connection with the Amalgamation, the Company will issue, and each holder of RDT Shares will receive, one (1) Resulting Issuer Share in exchange for each one (1) RDT Share held immediately prior to the Effective Time and the Company will issue, and each holder of RDT Warrants will receive, one (1) warrant of the Resulting Issuer in exchange for each one (1) RDT Warrant held immediately prior to the Effective Time, each such warrant issued by the Resulting Issuer having identical terms as the RDT Warrants in respect of exercise price, expiry date and all other material terms and conditions.

Completion of the Amalgamation is subject to satisfaction or waiver of conditions for the benefit of both parties, conditions for the benefit of RDT and conditions for the benefit of ACME (see Appendix "C" for a copy of the Amalgamation Agreement), including the following:

- (a) all required regulatory, Exchange, governmental, third party, shareholder and Board approvals shall have been obtained;
- (b) no material action or proceeding existing or threatened which would prohibit the Amalgamation or any other aspect of the Transaction or result in material damages relating thereto;
- (c) each party shall have performed its covenants in the Amalgamation Agreement;

- (d) each party's representations and warranties shall be true and correct in all material respects;
- (e) no material adverse changes shall have occurred in the business, prospects or affairs of either party;
- (f) the issued and outstanding share capital of each of ACME and RDT shall be as stated in the Amalgamation Agreement and set out in this Prospectus;
- (g) holders of not more than 5% of the outstanding shares of RDT shall have exercised their right of dissent;
- (h) the respective Boards of ACME and RDT shall not have withdrawn, modified or changed any of their respective recommendations, approvals, resolutions or determinations in respect of the Amalgamation in a manner materially adverse to the other party;
- (i) those holders of RDT Shares required to be exchanged for Escrowed Securities shall have agreed to enter into an escrow agreement contemplated by the Amalgamation Agreement as described in this Prospectus and to deposit their Escrowed Securities in accordance therewith; and
- (j) each of ACME and RDT and their respective officers and directors shall have completed the various steps, acts and events required to implement the Amalgamation and other aspects of the Transaction.

An annual and special meeting of the shareholders of the Company was called and held on August 30, 2018, for the following purposes:

- (k) to receive and consider the audited financial statements of the Company for the year ended September 30, 2017;
- (l) to re-appoint the auditors and, if the Transaction is implemented, to approve new auditors;
- (m) to elect directors;
- (n) to authorize the Board to change the number of directors between shareholder meetings;
- (o) to approve the Company's Stock Option Plan;
- (p) to approve entering into and completing the Amalgamation Agreement;
- (q) to approve the name change of the Company to "Rapid Dose Therapeutics Corp.";
- (r) to approve any and all other aspects necessary or advisable for completion of the Transaction;

At the ACME annual and special meeting of shareholders, shareholders holding more than 52% of the Common Shares issued and outstanding were present in person or represented by proxy. The Company received approval for each of the matters referred to above. On each of the votes taken, more than 99% of the votes cast were voted in favour of the matter.

A special meeting of the shareholders of RDT was called and held on August 27, 2018, for the following purposes:

- (a) to approve the Amalgamation Agreement; and
- (b) to approve any and all other aspects necessary or advisable for completion of the Transaction.

At the RDT special meeting of shareholders, shareholders holding more than 85% of the RDT Shares issued and outstanding at that time were present in person or represented by proxy. RDT received approval for each of the matters referred to above, with 100% of the votes cast being in favour.

As of the date of this Prospectus, the Amalgamation has not been completed.

## USE OF AVAILABLE FUNDS

### Proceeds

This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds.

### Total Available Funds

ACME had net working capital of approximately \$385,885 as of June 30, 2018. RDT had working capital of approximately \$6,286,451 as of August 31, 2018. Accordingly, as at August 31, 2018, the Resulting Issuer had working capital (after deducting the estimated costs of the Transaction (including the estimated costs of this Prospectus) of \$300,000 but before deducting ongoing operating expenses of RDT) of approximately \$6,372,336.

As of August 31, 2018, RDT had a cash balance of \$6,036,670 compared to \$326,267 at the prior year-end of February 28, 2018. The increase in cash was a result of private placement financings producing gross proceeds of \$7,055,500. As of August 31, 2018, RDT had other current assets of \$304,513. Accrued liabilities of RDT at the end of the second quarter ended August 31, 2018 were \$54,732, compared to \$139,830 at the prior year-end of February 28, 2018, as a result of the payment of accounts payable from the increase in available cash resulting from RDT's private placement financings. As at November 30, 2018, RDT and its subsidiary had a combined cash balance of \$4,169,460.

### Principal Purposes

Assuming that the Transaction is completed, in early June 2018 the Company expected that its monthly expenses would be approximately \$74,000 per month as described in the table set out below. Accordingly, over the twelve-month period from July 1, 2018 to June 30, 2019, the Company expected the Resulting Issuer to expend an aggregate of approximately \$888,000 and over the 18-month period from July 1, 2018 to December 31, 2019, the Company expected the Resulting Issuer to expend an aggregate of approximately \$1,332,000.

<b>Principal Purposes for the eighteen months from July 1, 2018 to December 31, 2019</b>	<b>Amount (\$)</b>
General, Administrative & Travel Expenses	12,000
Accounting and Audit	2,000
Media & Communications	4,000
Management & consulting	50,000
Patent, trademark legal & application fees	2,000
Reporting issuer compliance expenses	2,000
<b>Total Monthly Expenditures:</b>	74,000
<b>Total Eighteen (18) Month Expenditures</b>	1,332,000

However, RDT's business has developed more quickly than anticipated in June 2018. During the period from July 1 to November 30, 2018, RDT spent approximately \$1,000,000 on equipment and other capital expenses and approximately \$120,000 on inventory, neither of which was included in the table of monthly expenses referred to above. These expenditures became possible as a result of RDT's recent private placements. In addition, as RDT's business has been expanding, RDT has been increasing its staff and over the five (5) month period from July 1 to November 30, 2018 wages and consulting fees have averaged \$130,000 per month compared to the earlier estimate of \$50,000 per month. Similarly, its research and development costs for the five (5) month period were approximately \$100,000 compared to the estimate of \$10,000 for patent and trade mark costs. Overall, RDT's business has been expanding at a much faster pace as a result of the signing of three major contracts and that growth

is expected to continue as additional contracts are signed. As well, RDT has estimated revenue of approximately \$925,000 in the last several weeks of that five (5) month period. As a result of these changes, the Company currently expects that the Resulting Issuer's expenses for the period from January 1 to December 31, 2019 will increase to be reflective of the following. However, the Company notes that as a result of the accelerated pace of expansion of RDT's business, it is very difficult to accurately predict future expenditures. Accordingly, there is no assurance that the foregoing estimates will be reflective of the actual expenditures that the Resulting Issuer will incur during that period.

<b>Principal Purposes for the twelve months from January 1, 2019 to December 31, 2019</b>	<b>Amount (\$)</b>
General, Administrative & Travel Expenses	40,000
Accounting and Audit	5,000
Media & Communications	5,000
Wages, management & consulting	150,000
Patent, trademark legal & application fees (including research and development)	20,000
Reporting issuer compliance expenses	5,000
Equipment and other capital expenditures	50,000
Contingencies	25,000
<b>Total Monthly Expenditures:</b>	300,000
<b>Total Twelve (12) Month Expenditures</b>	3,600,000

#### **Total Other Funds Available**

There are no other funds available to the Company, other than as described in this Prospectus.

#### **Unallocated Funds in Trust or in Escrow**

There are no unallocated funds in trust or in escrow.

#### **Other Sources of Funding**

There are no other sources of funding.

### **DIVIDEND POLICY OF THE COMPANY**

The Company has not paid any dividends on its Common Shares, and the Board does not expect to declare or pay any dividends on the Common Shares in the foreseeable future. Payment of any dividends will be dependent upon the Company's future earnings, its financial condition, and other factors that the Board determines are relevant.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY**

Management's discussion and analysis of the Company for the three-month and nine-month periods ended June 30, 2018 and the year ended September 30, 2017 are included in Appendix B to this Prospectus and should be read in conjunction with the audited annual financial statements of the Company for the years ended September 30, 2017 and 2016 and the related notes thereto and the unaudited interim financial statements of the Company for the three-month and nine-month periods ended June 30, 2018 and the related notes thereto, included in this Prospectus in Appendix A and to which the management's discussion and analysis of the Company relates.

All of the information presented in the management's discussion and analysis is based on the said financial statements, which were prepared in accordance with IFRS. All amounts included in the management's discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

## DESCRIPTION OF SECURITIES OF THE COMPANY

### Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares. Each Common Share is equal to every other Common Share with respect to all rights and restrictions.

As at the date of this Prospectus, the Company has 5,272,190 Common Shares issued and outstanding. Holders of Common Shares are entitled to one vote per share upon all matters on which shareholders have the right to vote. The Common Shares do not have pre-emptive rights and are not subject to redemption or retraction provisions. The Company may, if authorized by its Board, purchase or otherwise acquire any of its Common Shares at a price and upon the terms determined by the directors. Holders of the Common Shares are entitled to receive such dividends as may be declared by its Board of Directors out of funds legally available therefor. In the event of dissolution or winding up of the affairs of the Company, holders of the Common Shares are entitled to share ratably in all assets of the Company remaining after payment of all amounts due to creditors.

### CONSOLIDATED CAPITALIZATION OF THE COMPANY

The Company as of the date of this Prospectus has a total of 5,272,190 Common Shares issued and outstanding.

The following table sets forth the share and loan capital of the Company as at the dates shown below.

	Authorized Capital	Outstanding as at June 30, 2018	Outstanding as at the date of this Prospectus
Common Shares	Unlimited	5,272,190 <sup>(1)</sup>	5,272,190 <sup>(1)</sup>
Warrants	Nil	Nil	Nil
Options	527,219 <sup>(2)</sup>	Nil	Nil
Other Rights	Nil	Nil	Nil

Notes:

- (1) Excluding Common Shares issuable pursuant to the Amalgamation Agreement.
- (2) The Company has a Stock Option Plan allowing its Board to grant incentive stock options to directors, officers, employees and consultants aggregating up to 10% of the number of issued and outstanding Common Shares at the applicable time.

### OPTIONS TO PURCHASE SECURITIES OF THE COMPANY

There are no stock options issued by the Company under its incentive stock option plan as of the date of this Prospectus.

### PRIOR SALES OF SHARES OF THE COMPANY

In the past 12 months, the Company has completed a series of private placements of Common Shares and debt settlements for shares in Canada, details of which are set out in the table below.

Date	Description	Price Per Share	Shares Issued	Gross Proceeds
November 10, 2017	Private Placement	\$0.125	379,800 <sup>(1)</sup>	\$47,475 <sup>(2)</sup>
November 10, 2017	Private Placement	\$0.125	240,000 <sup>(1)</sup>	\$30,000
November 10, 2017	Private Placement	\$0.250	80,000 <sup>(1)</sup>	\$20,000
January 2, 2018	Private Placement	\$0.125	496,000 <sup>(1)</sup>	\$62,000
February 28, 2018	Shares-for-Debt	\$0.125	1,400,000	\$175,000
March 29, 2018	Private Placement	\$0.25	2,006,000	\$501,500

Notes:

- (1) Adjusted for 5:1 consolidation of the Common Shares effective February 16, 2018.
- (2) Prior to deducting issue costs of \$3,323.

## Trading Price and Volume

The Company's Common Shares currently are not listed and do not trade on any stock exchange. The Company has applied to have the Resulting Issuer's shares listed on the Canadian Securities Exchange; the Company has received conditional approval from the CSE for such a Listing.

## ESCROWED SECURITIES

Currently, none of the Company's Common Shares are subject to any escrow arrangements.

Concurrently with the completion of the Amalgamation, the Company will enter into an Escrow Agreement with Capital Transfer Agency ULC, pursuant to which its Resulting Issuer's Named Executive Officers, directors, other Insiders and certain other shareholders (excluding those shareholders acquiring RDT Shares pursuant to the RDT-PP, RDT-PP2, certain other early private placements, Gambier and those who may exercise any RDT Warrants) will deposit all of their Exchange Shares in escrow as set out below.

Designation of class	Number of securities to be held in escrow or that are subject to a restriction on transfer	Percentage of class
Common Shares	51,906,140	69.23%

Notes:

- (1) The RDT Warrants will not be subject to escrow. Any Resulting Issuer Shares issued in exchange for RDT Shares issued by RDT on exercise of any RDT Warrants will not be subject to escrow.
- (2) Exchange Shares to be issued in exchange for RDT Shares issued by RDT pursuant to the RDT-PP and RDT-PP2 will not be subject to escrow.
- (3) Resulting Issuer Shares to be issued by the Resulting Issuer to Gambier for its fees for services will not be subject to escrow; however, such Resulting Issuer Shares will be subject to a standard regulatory hold period of four months and a day.
- (4) Five percent (5%) of 51,906,140 Exchange Shares to be issued on completion of the Amalgamation, namely 2,595,307 Exchange Shares, will be released from escrow on the Escrow Commencement Date, namely, the first day of trading of the Resulting Issuer Shares on the CSE.

The Escrowed Securities will be released from escrow on the following schedule:

Time or event for release of Escrowed Securities	Percentage of Shares to be Released	Number of Shares to be Released
On the Escrow Commencement Date	5% of the Escrowed Securities	2,595,307
6 months after the Escrow Commencement Date	5% of the Escrowed Securities	2,595,307
12 months after the Escrow Commencement Date	5% of the Escrowed Securities	2,595,307
18 months after the Escrow Commencement Date	5% of the Escrowed Securities	2,595,307
24 months after the Escrow Commencement Date	15% of the Escrowed Securities	7,785,921
30 months after the Escrow Commencement date	15% of the Escrowed Securities	7,785,921
36 months after the Escrow Commencement Date	50% of the Escrowed Securities	25,953,070

## PRINCIPAL SECURITY HOLDERS OF THE COMPANY

To the knowledge of management of the Company, no person or company owns of record or beneficially, or exercises control or direction over, directly or indirectly, of more than 10% of the issued and outstanding shares of any class of voting securities of ACME.

## DIRECTORS AND OFFICERS OF THE COMPANY

Name and Place of Residence	Present and Principal Occupation During the Past Five Years	Common Shares Beneficially Owned	Date of Appointment
JOHN M. SIRIUNAS, Milton, Ontario	Self-employed consultant from March 1997 to present	125,100	June 6, 2018
KEES C. VAN WINTERS, Toronto, Ontario	Self-employed management consultant working with technology companies from January 2000 to present.	175,000	February 27, 2008
BRIAN HOWLETT, Mississauga, Ontario	President and Chief Executive Officer of Dundee Sustainable Technologies Inc. (a mining technology company) since 2016, President and Chief Executive Officer of CR Capital Corp. (a mineral exploration company) since 2014 and President and Chief Financial Officer of Superior Copper Corporation (a mineral exploration company) between 2012 and 2014.	190,000	October 24, 2017
MILES NAGAMATSU, Toronto, Ontario	Chief Financial Officer of Champion Iron Limited (a mining company) from March 2014 to August 2018; Chief Financial Officer of Eoro Resources Ltd. (a mineral exploration company) from June 1997 to present; Chief Financial Officer of Cartier Iron Corporation (a mineral exploration company) from April 1997 to present; Chief Financial Officer of Forsys Metals Corp. (a mineral exploration company) since November 2018.	150,200	June 6, 2018
JORGE ESTEPA, Brampton, Ontario	Vice-President and Corporate Secretary of Eoro Resources Ltd. (a mineral exploration company) from June 1997 to present; Vice President and Corporate Secretary of Cartier Iron Corporation (a mineral exploration company) from August 1993 to present; Corporate Secretary (Canada) of Champion Iron Limited (a mining company) from 2014 to present; and Corporate Secretary of Forsys Metals Corp. (a mineral exploration company) since 2004.	200,200	June 6, 2018

The terms of the foregoing directors and officers will expire at the next annual shareholders meeting although, as described in this Prospectus, in the event that the Transaction is completed, it is anticipated that two of the directors, John Siriunas and Kees Van Winters, will resign as directors of the Company and be replaced by nominees of RTD and the two officers referred to above will be replaced by nominees of RDT (see “*Directors, Executive Officers and Principal Shareholders of the Resulting Issuer*” in Part Three below).

### Biographies

#### *John M. Siriunas, President, Chief Executive Officer and Director*

Mr. Siriunas is a geological engineer who has carried on business as an independent consultant since 1979. Mr. Siriunas serves, or has served, as a director and/or in various management capacities with several junior-resource reporting issuers. Recent roles include that of Director, President and Corporate Secretary for Cuervo Resources Inc. between 2005 and 2012 and as Director, Vice President and Corporate Secretary for Great Lakes Graphite Inc. (formerly Shield Gold Inc.) between 2005 and 2015. Mr. Siriunas is a member of the Professional Engineers of Ontario (PEO) and holds degrees in Geological Engineering (B.A.Sc., 1976) and Applied Geology and Geochemistry (M.A.Sc., 1979) from the University of Toronto. Based on his professional qualifications and experience, Mr. Siriunas is a “qualified person” as defined in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators.

*Miles Nagamatsu, Chief Financial Officer*

Mr. Nagamatsu has over 30 years of experience in accounting, management, lending, restructurings and turnarounds. Since 1993, Miles has acted as a Chief Financial Officer of public and private companies primarily in the mineral exploration and investment management sectors. Mr. Nagamatsu has been the Chief Financial Officer of Cartier Iron Corporation and Eoro Resources Ltd. since 1997 and Forsys Metals Corp. since November 2018. Mr. Nagamatsu has also been Chief Financial Officer for Champion Iron Limited from March 2014 to August 2018. For over 30 years, Mr. Nagamatsu served as volunteer Chair of the Finance Committee and Director of Cystic Fibrosis Canada. He holds a Bachelor of Commerce degree from McMaster University and is a Chartered Professional Accountant, Chartered Accountant.

*Jorge Estepa, Corporate Secretary*

Mr. Estepa has over 25 years of experience with publicly listed companies in the areas of corporate management, development and investor relations and has served as a senior officer and/or director of several publicly traded resource companies. Mr. Estepa has been the Vice President and Corporate Secretary of Cartier Iron Corporation since 1993. Mr. Estepa has also been the Vice-President and Corporate Secretary of Eoro Resources Ltd. since 1997, Corporate Secretary (Canada) of Champion Iron Limited since 2014 and Corporate Secretary of Forsys Metals Corp. since 2004. Mr. Estepa holds a Bachelor of Arts degree from the University of Toronto.

*Brian Howlett, Director*

Mr. Howlett has over 30 years of senior financial management experience. Mr. Howlett is currently the President, Chief Executive Officer and Director of Dundee Sustainable Technologies Inc. and CR Capital Corp. He also formerly served as the President and Chief Financial Officer Superior Copper Corporation. Prior to that, Mr. Howlett spent 12 years with ELI Eco Logic Inc., including 6 years as Chief Financial Officer. Mr. Howlett graduated in 1982 with a B. Comm. in finance from Concordia University and received his CMA designation in 1989. Mr. Howlett also serves on the board of directors of Nighthawk Gold Inc., a junior mining companies.

*Kees C. Van Winters, Director*

Kees C. Van Winters has been Director at ACME since February 27, 2008. Mr. Van Winters has been active in the telecom and technology industries since 1986. Mr. Van Winters has been the Chairman of Channel 500 Inc. from 1999 to 2011. He also served as the Chairman of the Board for Travel Shop Television Inc. and he has been Director at Difference Capital Financial Inc. since November 27, 2017. He served as an independent Director of Panda Capital Inc. from 2007 to 2017. Mr. Van Winters served as Vice-President of Sales and Marketing of Nationwide Cellular Services Inc. from 1986 to 1992. He was a Consultant for various telecommunications companies in Canada and USA from 1992 to 2000. He served as Director of How To Web TV Inc. from November 27, 2003 to December 2005.

**Aggregate Ownership of Securities**

The directors and officers of the Company, as a group, directly or indirectly, beneficially own 840,500 Common Shares of the Company, representing approximately 15.9% of the issued and outstanding Common Shares of the Company on an undiluted basis.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

None of the directors, officers or other members of management of the Company has, within the past ten years, been a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days except for the following :



- (i) As of the date of this Prospectus, Miles Nagamatsu is the chief financial officer and director of Essex Oil Ltd. (“Essex”). On November 3, 2016, the Ontario Securities Commission issued a cease trade order against Essex as Essex had not filed the following periodic disclosure under securities law in Ontario: audited financial statements for the year ended June 30, 2016; management’s discussion and analysis relating to the audited financial statements for the year ended June 30, 2016; and certification of the foregoing filings as required by National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings; or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been 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.

### **Penalties or Sanctions**

No director or executive officer of the Company has, within the past ten years, been subject to any penalties or sanctions imposed by a court or by a securities regulator authority relating to securities legislation or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcies**

No current or proposed director of the Company has, within the past ten years, been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 individual.

### **Conflicts of Interest**

Conflicts of interest may arise as a result of the directors and officers of the Company holding positions as directors or officers of other companies. Some of the directors and officers have been, and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and behalf of other companies, and situations may arise where directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies of the OBCA.

## **EXECUTIVE COMPENSATION OF THE COMPANY**

### **Named Executive Officers**

As defined under applicable securities legislation, the Company had two "Named Executive Officers" during the financial year ended September 30, 2017 as set out below:

Paul Ankcorn: President and Chief Executive Officer from February 27, 2008 to June 6, 2018.

Brian M. Cloney: Chief Financial Officer from February 27, 2008 to June 6, 2018.

### **Summary Compensation Table**

The following table sets out certain information respecting the compensation paid to the CEO and CFO and each of the directors, for each of the Company’s two most recently completed financial years. As at September 30, 2017, no officers were paid any compensation for services rendered in all capacities. These individuals, acting as CEO and CFO, are referred to collectively as the “Named Executive Officers” or “NEOs.”

Amounts reported in the tables that follow are in CAD dollars and further details and explanations as may be required are provided in the footnotes.

**Table of Compensation excluding compensation securities**

Name and principal position	Financial Year Ended September 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Paul Ankcorn, <sup>(1)</sup> Director, President and CEO	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Brian Cloney, <sup>(2)</sup> Director, CFO and Secretary	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Harry Burgess, <sup>(3)</sup> Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Kees Van Winters, Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Paul Ankcorn resigned as a director and as President and CEO of the Company on June 6, 2018.
- (2) Brian Cloney resigned as a director and as CFO and Secretary of the Company on June 6, 2018.
- (3) Harry Burgess resigned as a director of the Company on June 6, 2018.

### Stock options and other compensation securities

As of the date of this Prospectus, the Company does not have any stock options or other compensation securities outstanding.

Compensation Securities							
Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
John M. Siriunas <sup>(1)</sup> , Director, President and CEO	Options	Nil	N/A	N/A	N/A	N/A	N/A
Miles Nagamatsu <sup>(2)</sup> , CFO	Options	Nil	N/A	N/A	N/A	N/A	N/A
Jorge Estepa <sup>(3)</sup> , Secretary	Options	Nil	N/A	N/A	N/A	N/A	N/A
Kees Van Winters, Director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Brian Howlett <sup>(4)</sup> , Director	Options	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) John M. Siriunas was first elected to be a director and the President and CEO of the Company on June 6, 2018.
- (2) Miles Nagamatsu was first appointed as CFO of the Company on June 6, 2018.
- (3) Jorge Estepa was first appointed as Secretary of the Company on June 6, 2018.
- (4) Brian Howlett was first elected to be a director of the Company on October 24, 2017.

There were no exercises of options or other compensation securities by any director or named executive officer during the most recently completed financial year ended September 30, 2017.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of Compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Paul Ankorn <sup>(1)</sup> Director and CEO	Options	Nil	N/A	N/A	N/A	N/A	N/A
Brian Cloney <sup>(2)</sup> Director, CFO and Secretary	Options	Nil	N/A	N/A	N/A	N/A	N/A
Harry Burgess <sup>(3)</sup> , Director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Kees Van Winters Director	Options	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Paul Ankorn ceased to be a director, the President and the CEO of the Company on June 6, 2018.
- (2) Brian Cloney ceased to be a director, the CFO and the Secretary of the Company on June 6, 2018.
- (3) Harry Burgess ceased to be a director of the Company on June 6, 2018.

### Stock option plans and other incentive plans

The shareholders approved ACME's Stock Option Plan as of August 27, 2009 and most recently re-approved the Stock Option Plan on August 30, 2018. A copy of the Stock Option Plan is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

As of the date of this Prospectus, no stock options are outstanding under the ACME Stock Option Plan. The following is a summary of the material terms of the ACME Stock Option Plan:

**Number of Shares Reserved.** The number of Common Shares which may be issued pursuant to options granted under the ACME Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares at the time of the applicable grant of options.

**Maximum Term of Options.** The term of any options granted under the ACME Stock Option Plan is fixed by the Board at the time of the grant and may not exceed five (5) years from the date of grant.

**Non-Assignable.** The options are non-assignable and non-transferable.

**Exercise Price.** The exercise price of options granted under the ACME Stock Option Plan is to be determined by the Board at the date of the grant, provided that such exercise price may not be less than the market price of the Common Shares at the date of the grant, subject to any minimum price permitted by any stock exchange on which the Common Shares may be listed at the date of the applicable grant.

**Amendment.** The Board may amend the ACME Stock Option Plan at any time and from time to time provided that no amendment may be made to any outstanding options without the consent of the optionee; however, an amendment may not be made without any necessary stock exchange or shareholder approvals.

**Vesting.** The Board may determine vesting terms, if any; provided, however, in the absence of any particular vesting determination, the options will vest immediately unless the optionee is employed in investor relations activities, in which event the options will vest in stages over a period of 12 months with one quarter of such options vesting in each 3-month period.

**Termination.** Any options granted under the ACME Stock Option Plan will terminate at the earlier of (a) the expiry of the original term of the option or (b) the applicable date in respect of whichever one of the following applies: (i) 6 months after the optionee dies or (ii) 30 days after the optionee ceases to be an officer, director or employee of the Company or one of its subsidiaries, or (iii) for consultants, in accordance with the terms of the applicable consulting agreement, as the case may be.

**Administration.** The ACME Stock Option Plan is administered by the Board of the Company.

**Board Discretion.** The ACME Stock Option Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options will be determined by the Board of the Company.

#### **Employment, consulting and management agreements**

The directors manage or supervise the management of the business and affairs of the Company. The executive officers perform the day-to-day management functions of the Company. The Company has no written agreements with any of the officers or directors in respect of these functions. The Company has no management agreements, consultant agreements or arrangements with any other persons to perform or provide any of these functions.

#### **Director Fees**

Directors of the Company currently do not receive any compensation from the Company. There are no additional fees currently paid for membership or chairpersonship on any committee.

#### **Oversight and description of director and named executive officer compensation**

Given the Company's current size and stage of development, the Board has not appointed a compensation committee and, accordingly, the Board as a whole is responsible for determining the compensation (including long-term incentives in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation thereby providing any independent members of the Board with considerable input as to executive compensation.

#### **Executive Compensation Program**

The Board's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of the Company and may include a "pay-for-performance" element which supports the Company's commitment to delivering strong performance for its shareholders. We believe that, when the Company acquires a business or major assets or otherwise engages in significant business activities, adequate and appropriate compensation for our executive officers will be key to ensuring the continuity of high quality management who will provide strong leadership and stewardship for the Company.

The Board and its committees must also address the risks associated with the overall executive compensation program. The Audit Committee is responsible for assessing the risks which may arise from the Company's compensation policies and practices.

Executive compensation is generally comprised of three elements: base fees (may be consulting fees) or salary, short-term incentive compensation (discretionary cash bonuses) and long-term incentive compensation (stock options).

When the Company acquires a business or major assets or otherwise engages in significant business activities, the Company anticipates that a compensation program will be created, designed to reward the following objectives:

1. The ongoing day-to-day commitment of the Company's executive team in managing the Company's business and affairs, fulfilling their job responsibilities, and advancing the Company's business plan. This objective will be covered by salaries or consulting fees; and
2. The commitment to long-term growth and increased shareholder value as determined through the Company's share price. This objective will be addressed through the awarding of stock options under ACME's Stock Option Plan.

### **Base Fees and Discretionary Bonuses**

Base fees or salaries are compensation for ongoing job responsibilities and reflect the level of skills, experience, expertise, and capabilities demonstrated by the executive officers. Normally, executive officers and the board of directors meet to determine what both sides consider to be fair and reasonable base fees or salaries. The board of directors must give final approval for these compensation arrangements. When considering the base compensation to be paid to executive officers, the board of directors must consider the risk that, if the compensation is not adequate, it might not attract the best available individuals or it might result in a high turnover rate of executive officers, either of which could be detrimental to the Company. As an early stage enterprise, however, it will be necessary for the board of directors to strike a balance in this regard so that the compensation is not so high that the Company is unable to meet its obligations to its executive officers over the long term which could result in loss of that officer and the corporate knowledge and expertise that officer represents.

Executive officers are also eligible to receive discretionary bonuses as determined by the Board based on each officer's responsibilities, the achievement of individual and corporate objectives, and the Company's financial performance. Cash bonuses are intended to reward the executive officers for meeting or exceeding individual and corporate performance objectives set by the Board. As at the date of this Prospectus, the Company has not paid out any such bonuses and has not set any objectives whereby our executive officers might earn such bonuses at this time, other than as noted herein. It is the intention of the Board to review this element of the Company's compensation program, both prior to and following the completion of the Transaction, to determine the impact, including the benefits and risks that offering short-term incentives to the Company's executives would have on the overall performance of the Company and its management team.

Stock options are an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance as measured through the price of the Company's shares and enable executives to acquire and maintain an ownership position in the Company.

### **Option-Based Awards**

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's Stock Option Plan to receive grants of stock options. The Board as a whole approves individual stock option grants and the size of the option grant is dependent on, among other things, each officer's level of responsibility, authority, and importance to the Company and the degree to which an officer's long-term contribution to the Company is crucial to its overall long-term success.

Periodic stock option grants ensure that the number of options granted to any particular executive officer is commensurate with the officer's level of ongoing responsibility within the Company. Before considering further grants, the Board will evaluate the number of options already granted to that officer, the exercise price of the

options, and the term remaining on those options. In granting options, the Board might also reference the number of stock options granted to officers of other publicly traded companies that, similar to the Company, are involved in the same industry or those of other publicly traded Canadian companies of a comparable size to that of the Company in respect of assets. In addition, the Board may consider the effort, time, responsibility, ability, experience, and level of commitment of the executive officer in determining the level of incentive stock option compensation.

Option grants may include vesting provisions thereby encouraging officers to put forth their best efforts to improve the overall performance of the Company, thus increasing share price. In considering the periods for vesting of stock options and for overall stock option grants, the Board must take into account whether these periods could lead to unnecessary or inappropriate risk-taking or short-term decision-making. With these considerations in mind, options are generally granted for their maximum periods of five years thereby encouraging the Board and management to think of building value over the long-term rather than to take short-term risks.

Options are usually priced at the closing trading price of the Company's shares on the business day immediately preceding the date of grant. The Company does not have a policy in place whereby a director or executive officer is allowed to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

The Company has a formalized stock option plan for the granting of incentive stock options to its directors, officers, employees and consultants.

### **Benefits and Perquisites**

In general, the Company will provide a specific benefit or perquisite when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. The limited perquisites the Company provides its executives and officers currently only cover reimbursement for out-of-pocket costs.

### **Performance Goals and Executive Team**

The executive team of the Company is currently comprised of John M. Siriunas, President and CEO, Miles Nagamatsu, CFO, and Jorge Estepa, Corporate Secretary.

Mr. Siriunas was appointed to the position of President and CEO of the Company on June 6, 2018. As the President and CEO, he is responsible for overseeing the management and operations of the business and affairs of the Company. He has not entered into an employment, services or other form of agreement providing any compensation.

Mr. Nagamatsu was appointed CFO of the Company on June 6, 2018. As the CFO, Mr. Nagamatsu is the executive responsible for overseeing the financial health of the Company through financial and risk management, the development of a financial and operational strategy, and the ongoing monitoring of systems designed to preserve the Company's assets and report accurate financial results. He has not entered into an employment, services or other form of agreement providing any compensation.

Mr. Estepa was appointed Corporate Secretary of the Company on June 6, 2018. As the Corporate Secretary, Mr. Estepa is the executive responsible for maintaining corporate records (such as minutes of directors' and shareholders' meetings), ensuring the corporate and secretarial records of the Company, and the ongoing monitoring of systems designed to preserve the Company's assets and maintain the Company's status as a "reporting issuer" in good standing. He has not entered into an employment, services or other form of agreement providing any compensation.

### **Pension Plan Benefits**

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

As of the date of this Prospectus, no director, executive officer or employee of the Company or their respective associates or affiliates is currently, or has been at any time, indebted to the Company.

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE OF THE COMPANY

### Audit Committee Charter, Composition and Relevant Education and Experience

ACME's Audit Committee is governed by its charter which is annexed as Appendix "F" to this Prospectus.

The Audit Committee is comprised of the following directors: John M. Siriunas, Brian Howlett and Kees C. Van Winters. John M. Siriunas is the only member of the Audit Committee not considered "independent" and all of them are "financially literate" within the meaning of Canadian Securities Administrators' National Instrument 52-110 – Audit Committees ("NI 52-110").

The education and experience of each Audit Committee member that is relevant to the performance of his and her responsibilities is as follows:

Name	Determination of Independence and Financial Literacy
John M. Siriunas	Mr. Siriunas received a B.A.Sc. from the University of Toronto in 1976 and an M.A. Sc. From the University of Toronto in 1979. He has been a professional engineer since 1980. He has acted as a director or audit committee member of a public issuers in the past (including: Cuervo Resources Inc. from February 2005 until August 2012; GoldTrain Resources Inc. from July 2009 to August 2013; Hy Lake Gold Inc. from September 2005 to March 2009; Great Lakes Graphite Inc. (formerly Shield Gold Inc.) from January 2005 to May 2015; and Tartisan Resources Corp. from September 2012 to December 2014) and, as such, has obtained experience that is relevant to the performance of his responsibilities as a member of the Audit Committee. He has an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves and experience in evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.
Brian Howlett	Mr. Howlett received a Bachelor of Commerce from Concordia University in 1982. He is a chartered professional accountant and certified management accountant (since 1989). He is a professional with over 30 years of senior financial management experience. Mr. Howlett is currently a director or officer of several reporting issuers – namely, the President, Chief Executive Officer and Director of Dundee Sustainable Technologies Inc. and CR Capital Corp., as well as a director of Nighthawk Gold Corp. He also formerly served as the President and Chief Financial Officer of Superior Copper Corporation and a Chief Financial Officer of DNI Metals Inc.. Prior to that, Mr. Howlett spent 12 years with ELI Eco Logic Inc., including 6 years as Chief Financial Officer. Mr. Howlett has also served as a director on the Board for several junior mining companies including Minfocus Exploration Corp. from November 2017 to January 2018, DNI Metals Inc. from August 2017 to November 2018, Superior Copper Corp. from May 2012 to June 2016, Woulfe Mining Corp. from March 2015 to September 2015, and Goldeye Explorations Inc. from August 2011 to June 2014.
Kees C. Van Winters	Kees Van Winters received a B.A. from the University of Toronto in 1974. He is an executive with nearly 40 years of management experience. He understands the accounting principles used by corporations to prepare financial statements and has been intimately involved in preparing and executing capital raises and other financings for a number of

Name	Determination of Independence and Financial Literacy
	public and private companies. He is currently a director and member of the audit committee of Difference Capital Financial Inc. and ACME and has been a director of other reporting issuers (including Abcann Global Corp. from August 2007 to May 2017). He was a member of the audit committee while a director of Panda Corporation from 2007-2017.

All three Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and are therefore considered "financially literate".

Each of the Audit Committee members has acted as a director or audit committee member of a public issuer in the past and, as such, has obtained experience that is relevant to the performance of their responsibilities as a member of the Audit Committee. Each Audit Committee member is a businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

#### **Audit Committee Oversight, Pre-Approval Policies and Procedures and External Auditor Service Fees**

At no time since the commencement of the Company's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

The Audit Committee charter annexed as Appendix F sets forth, in section 2(d), the specific policies and procedures that the Audit Committee has adopted for the engagement of audit and non-audit services.

The fees billed by the Company's external auditor in the last two fiscal years are set out in the table below.

	Year Ended September 30, 2017 (\$)	Year Ended September 30, 2016 (\$)
Audit Fees	8,850	7,000
Audit-Related Fees	Nil	Nil
Tax Fees	Nil	1,000
All Other Fees	Nil	Nil
Total	8,850	8,000

#### **Reliance on Certain Exemptions**

Since February 27, 2008, the Company's date of incorporation, the Company has not relied on any exemption provided under NI 52-110 whereby approval for a *de minimis* amount of non-audit services is not required nor has the Company obtained or relied upon any exemption granted by a securities regulatory or regulator from the requirements of NI 52-110. As a venture issuer, the Company has relied on the exemption from Parts 3 and 5 of NI 52-110 regarding the composition of the Audit Committee and reporting obligations.

#### **Corporate Governance**

Corporate governance relates to the activities of the board of directors of the Company (the "Board"), the members of which are elected by, and are accountable to, the shareholders, and takes into account the role of the individual



members of management who are appointed by the Board to be executive officers and who are charged with the day-to-day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Canadian Securities Administrators have published guidelines for issuers to consider in developing their own corporate governance practices. Disclosure of those practices is required. The Company's corporate governance practices are set forth below.

### **Board of Directors**

The Company currently has three directors, two of whom are independent. The definition of independence used by the Board is that used by the Canadian Securities Administrators in NI 52-110 in relation to members of Audit Committees. In that reference, a director is independent if he or she has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Certain types of relationships are by their nature considered to be material relationships.

Directors Kees C. Van Winters and Brian Howlett are independent. Director John M. Siriunas is not independent because he is the President and Chief Executive Officer of the Company.

The Board exercises its independent supervision over the Company's management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent directors may also hold scheduled meetings at which non-independent directors or members of management are not in attendance. Where matters arise at Board meetings which require decision-making and evaluation by independent or non-management directors, the meeting breaks into an "in camera" session among the independent or non-management directors.

### **Directorships**

Certain directors are also directors of other issuers that are reporting issuers (or the equivalent), as follows:

<b>Director</b>	<b>Other Directorships</b>	<b>Stock Exchange Listing</b>
Kees Van Winters	Difference Capital Financial Inc.	TSX
Brian Howlett	CR Capital Corp. Nighthawk Gold Corp. Dundee Sustainable Technologies Inc.	TSXV TSX CSE

### **Orientation and Continuing Education**

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

### **Ethical Business Conduct**

The Board has not adopted a written code of business conduct and ethics for its directors, officers and employees. A director with a material interest in a transaction or agreement considered by the Corporation is required to declare and fully disclose his interest, refrain from participating in any discussion of such matters and abstain from voting on any resolutions respecting such matters. The Board also believes that the skill and knowledge of Board members and advice from counsel ensure that non-conflicted directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Directors and officers are required to disclose dealings in the industry in which the Company operates.

## **Nomination of Directors**

The Company does not have a formal process or committee for proposing new nominees to the Board. Changes to the Board are infrequent.

## **Compensation**

The Board has not appointed a compensation committee. Instead, the independent directors fulfil that role. See "Executive Compensation of the Company".

## **Other Board Committees**

There are no committees of the Board at this time other than the Audit Committee.

## **Assessments**

The full Board has responsibility for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. Owing to the small size of the Board, this task has not been assigned to any committee of directors and no formal process is in place.

## **PLAN OF DISTRIBUTION**

This is a non-offering prospectus. No securities are being offered pursuant to this Prospectus.

The Company is a reporting issuer in British Columbia, Alberta and Ontario.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.).

The Company has applied to list its Common Shares on the CSE; the Company has received conditional approval from the CSE.

Following the date of this Prospectus, the Company proposes to file Articles of Amendment under the OBCA to change its name to Rapid Dose Therapeutics Corp., following which Subco and RDT will amalgamate in accordance with the terms of the Amalgamation Agreement. Pursuant to the Amalgamation Agreement, the issuance of a Certificate of Amalgamation by the Registrar under the BCBCA will give effect to Subco and RDT amalgamating to form one corporation, to be called Rapid Dose Therapeutics Inc. ("Amalco"), governed by the BCBCA, as a result of which:

- (a) Each shareholder of RDT will receive one (1) Common Share of the Company for each one (1) RDT Share;
- (b) Each holder of RDT Warrants will receive, one (1) warrant of the Company in exchange for each one (1) RDT Warrant held immediately prior to the Effective Time, with each such warrant issued by the Company having identical terms as the RDT Warrants in respect of exercise price, expiry date and all other material terms and conditions;
- (c) Amalco will own all of the property and assets of each of Subco and RDT;
- (d) Amalco will be subject to all of the contracts, debts, liabilities and obligations of each of Subco and RDT;

- (e) The number of Common Shares of the Company will increase by approximately 64,841,200 to approximately 70,113,390 (prior to issuance of 4,907,937 shares as service fees to Gambier and without taking into account the exercise of any RDT Warrants); and
- (f) The Company will issue approximately 4,907,937 Common Shares to Gambier as fees for services, thereby increasing the number of issued and outstanding Common Shares of the Company from approximately 70,113,390 Common Shares to approximately 75,021,327 Common Shares.

The Common Shares issued by the Company pursuant to the Amalgamation will be freely tradeable in accordance with section 2.11 of NI 45-106 and section 2.4 and 2.6 of NI 45-102. The Common Shares issued to Gambier immediately following the Amalgamation will be subject to a restriction from trading until four months plus one day after the date on which they are issued.

## **RISK FACTORS REGARDING THE COMPANY**

### **Risks Related to Business and Industry**

*There is no certainty that the Company will continue as a going concern. If the Company does not, shareholders could lose their investment.*

The financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. However, as at June 30, 2018, we have not earned any revenues and had an accumulated deficit of \$794,203. We anticipate that we will incur increased expenses without realizing sufficient revenues (if any) to offset those expenses and we therefore expect to incur significant losses for the foreseeable future. Our ability to continue as a going concern is dependent on receiving continued support from our shareholders, creditors and service providers, as well as obtaining additional financing, and, most importantly, acquiring and developing a profitable business and generating future revenues. No assurance can be given that we will successfully be able to do so. Importantly, the inclusion in our financial statements of a going concern note may negatively impact our ability to raise future financing and achieve future revenue. The stated risk relating to our ability to continue as a going concern will be removed from our financial statements only when, in the opinion of our auditor, our revenues have reached a level that is able to sustain our business operations. Our financial statements do not include any adjustments to our recorded assets or liabilities that might be necessary if we become unable to continue as a going concern.

Even if we acquire or develop such a business, if we are unable to obtain additional financing from outside sources and eventually generate enough revenues to become self-sustaining, we may be forced to sell a portion or all of our assets, or curtail or discontinue our operations. If any of these happens, you could lose all or part of your investment.

*We have incurred operating losses in each year since our inception and expect to continue to incur substantial and increasing losses for the foreseeable future. We also have negative capital cash flows from operating activities. If we cannot generate sufficient revenues to operate profitably or with positive cash flow from operating activities, we may suspend or cease our operations.*

We have not generated any revenue since our inception on February 27, 2008 and we have incurred operating and net losses in each year of our existence. We experienced a net loss of \$50,079 for the year ended September 30, 2017, compared to a net loss of \$47,097 for the year ended September 30, 2016. We expect to incur continuing losses unless and until the Company acquires a business that is profitable or that can become profitable within a reasonable period of time. There is no assurance that the Company will be able to acquire such a business or that such a business, if acquired by the Company, will be or become profitable within a reasonable period of time or at all. If we fail to generate sufficient revenues to operate profitably, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

## **Risks Associated with Our Securities**

*You will experience substantial dilution as a result of the Transaction.*

The proposed Transaction, a reverse take-over of the Company by the shareholders of RDT, will, if completed, result in substantial dilution of each current shareholder's proportionate interest in the Company. More specifically, the current shareholders of ACME will, on completion of the Transaction, own approximately 7.0% of the outstanding Common Shares of the Resulting Issuer.

*You will experience dilution as a result of our financing activities.*

We must raise additional capital from external sources to carry out our business plan over the next few years or longer. To do so, we may issue debt securities, equity securities or a combination of these securities; however, we may not be able to sell these securities, particularly under current market conditions. Even if we are successful in finding buyers for our debt securities, such buyers could demand high interest rates or require us to agree to onerous operating covenants, which could in turn harm our ability to operate our business by reducing our cash flow and restricting our operating activities. If we choose to sell shares, this will result in dilution to our existing shareholders. In addition, any shares we may issue may have rights, privileges and preferences superior to those of our current Common Shares.

*We do not intend to pay dividends and, accordingly, there will be fewer ways in which you are able to make a return on your investment, if at all.*

We have never paid dividends and do not intend to pay any dividends for the foreseeable future. To the extent that we may require additional funding currently not provided for in our financing plan, our funding sources may prohibit the declaration of dividends. Because we do not intend to pay dividends, any return on your investment will need to result from an appreciation in the price of our Common Shares. There will, therefore, be fewer ways in which you are able to make a return on your investment, if at all. There is also no guarantee that your investment will appreciate or even maintain its current value.

## **Risks Associated with Closing of the Amalgamation**

*There are material risks associated with RDT's business which, if the Transaction is completed, will become risks assumed by the Company and its shareholders.*

For a list and description of the risks associated with RDT's business described assuming that the reverse take-over Transaction with RDT has been completed, see "Risk Factors for RDT's Business" below.

## **Risks of Not Closing of the Amalgamation**

*There are material risks which may arise if the Transaction is not completed.*

Closing of the Definitive Agreement is subject to various conditions including shareholder approvals, completion of financings, approval of the listing of the Resulting Issuer's shares on the CSE and compliance with securities regulations, as well as other conditions. There is no assurance that the Definitive Agreement will be completed on the terms proposed or at all. If the Transaction is not completed, the Company will have incurred substantial costs, will not have any business and will have to re-commence the process of seeking a business or suite of assets to acquire in order to become a viable company. There is no assurance that the Company will be able to secure or complete an alternative transaction in the foreseeable future or at all.

## **Risks of RDT receiving a Superior Proposal**

*There is a risk that RDT will receive a Superior Proposal and terminate the Amalgamation Agreement.*

Closing of the Definitive Agreement is subject to various conditions including that neither RDT nor the Company has received and accepted a Superior Proposal. In accordance with the fiduciary duties of boards of directors, each of RDT and the Company has reserved the right to terminate the Definitive Agreement if a Superior Proposal is received and the other of them has not amended the terms of the Definitive Agreement to match or better that other proposal such that the other proposal is no longer a Superior Proposal. There is no assurance that the Definitive Agreement will be completed on the terms proposed or at all. If the Transaction is not completed, the Company will have incurred substantial costs, will not have any business and will have to re-commence the process of seeking a business or suite of assets to acquire in order to become a viable company. There is no assurance that the Company will be able to secure or complete an alternative transaction in the foreseeable future or at all.

### **Reliance on Key Personnel and Advisors**

*We rely heavily on our officers and directors, as well as our professional advisors.*

ACME will rely heavily on its officers and directors, as well as its professional advisors. The loss of their services may have a material adverse effect on ACME and its future prospects. There can be no assurance that any one or all of the officers and directors of, and contractors engaged by, ACME will continue in the employ of, or in a consulting capacity to, ACME or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that such officers and directors of, and advisors to, ACME who have access to confidential information will not disclose the confidential information.

### **Uninsured Risks**

*We currently have no insurance coverage.*

ACME does not currently carry any insurance – general public liability insurance, directors’ and officers’ insurance, key person insurance, business interruption insurance or any other kind of insurance. In the future, ACME may carry insurance to protect against such risks and in such amounts as ACME considers appropriate and adequate. There is no assurance that the Company will ever carry any or all of these types of insurance, or any other kind of insurance or, if carried, that any insurance carried will cover the type of loss suffered by the Company or will adequately cover that amount of any such loss. In the event of a loss, the lack of insurance or the lack of adequate or appropriate insurance coverage could have a significant adverse effect on the Company and its financial viability and, accordingly, the value of its Common Shares. There is no assurance that ACME will be able to obtain, maintain in effect or increase any insurance coverage on acceptable terms or at reasonable costs, or that such insurance will provide ACME with adequate protection against potential liability.

### **Conflicts of Interest**

*Conflicts of interest may arise when officers or directors of the Company serve as officers or directors of other companies.*

Certain officers and directors of ACME also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such officers and directors involving ACME will be made in accordance with their duties and obligations to deal fairly and in good faith with ACME and such other companies. In addition, such officers and directors having a conflict are obligated to declare and fully disclose the fact and substance of the matter giving rise to any such conflict, and any such director must refrain from participating in any Board meetings discussing the matter and from voting on any resolution relating to the matter in which such director may have a conflict of interest.

### **Compliance with Disclosure Obligations**

*The Company may suffer regulatory sanctions as a result of actions prior to de-listing.*

After receiving shareholder approval to voluntarily de-list from the TSXV but before receiving TSXV approval for such de-listing, the Company implemented a consolidation of its shares, completed a financing and a shares-for-debt transaction at a price per share lower than the minimum price permissible under TSXV policies and neglected to disseminate a news release regarding the appointment of a new director, contrary to the policies of the TSXV. The Company was then involuntarily de-listed by the TSXV effective as of March 28, 2018, for failing to obtain TSXV acceptance of such corporate actions before implementation. There is a risk the Company may suffer regulatory sanctions as a result.

### **Indemnification of Directors and Officers**

*We plan to indemnify our directors and officers against liability to us and our security holders, and such indemnification could increase our operating costs.*

Applicable corporate laws allow us to indemnify our directors and officers against claims associated with carrying out the duties of their offices. Applicable corporate laws also allow us to reimburse our officers and directors for the costs of certain legal defenses. However, certain corporate and securities laws and regulations may, in certain circumstances, prohibit or limit such indemnification and, in such circumstances, such indemnification will therefore be unenforceable in that jurisdiction.

Since our officers and directors are aware that they may be indemnified for carrying out the duties of their offices, they may be less motivated to meet the standards required by law to properly carry out such duties, which could increase our operating costs. Further, if our officers and directors file a claim against us for indemnification, the associated expenses could also increase our operating costs.

### **Absence of Involvement of an Underwriter**

Underwriters have an obligation to establish, maintain and apply policies and procedures that are critical to fostering fair and efficient capital markets. The absence of an underwriter in the public offering process creates the risk that such policies and procedures were not engaged to ensure the extra level of oversight that the prospectus constitutes full, true and plain disclosure of all material facts related to the securities and the issuer. Underwriters and their officers and employees, with assistance from underwriters' counsel and other expert advisors, discharge their role by completing a due diligence investigation, participating in the preparation of the prospectus and certifying the contents of the prospectus. The absence of an underwriter engaged with respect to this prospectus lessens the level of protection built into the process through the underwriter's role as an additional "gatekeeper" to the capital market.

### **Risks Associated with RDT's Business**

*There are significant risks associated with RDT's business.*

For a description of some of the risks associated with RDT's business, see "Risks Factors for the RDT Business" below.

### **Other Risks and Uncertainties**

*Although we have tried to identify all significant risks, we may not have identified all risks. There may be other risks.*

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our Common Shares.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS AGAINST THE COMPANY

There are no material pending legal proceedings or regulatory actions to which the Company is, or, to the knowledge of management of the Company, is likely to be a party except as described below:

In late 2017, the Company was in the process of voluntarily de-listing from the TSXV. At the Company's Annual and Special Meeting ("**Meeting**") held on the October 24, 2017, the Company received approval from the requisite majority of its shareholders to proceed with a voluntary de-listing from the TSXV for the purpose of seeking a listing on an alternative stock exchange. However, before obtaining de-listing approval from the TSXV, the Company's Common Shares were involuntarily de-listed by the TSXV, effective as of March 28, 2018. More specifically, the TSXV gave notice of involuntary de-listing because the Company had failed to comply with the policies of the TSXV. These activities include:

- (A) The Company failed to file and obtain TSXV approval prior to effecting the '5 old for 1 new' share consolidation.
- (B) Prior to the completion of the Company's consolidation, the Company completed non-brokered private placement offerings of Company equity without obtaining conditional or final TSXV acceptance. The private placements comprised the issuance of 5,579,000 pre-consolidation shares at a price of \$0.025 (2½¢) per share for gross proceeds of \$139,475. The price of \$0.025 was less than the minimum price permitted under TSXV exchange policy and had been previously disallowed.
- (C) The Company completed a shares-for-debt transaction whereby the Company issued 7,000,000 pre-consolidation shares at \$0.025 (2½¢) per share in connection with the settlement of \$175,000 of debts. The price per share was less than the minimum price permitted under TSXV policies and the nature of the accrued debt contravened TSXV policies.
- (D) Subsequent to the completion of the Company's consolidation, the Company cancelled the remaining escrowed founders' shares. The cancellation of the escrowed founders' shares was undertaken pursuant to TSXV policies.
- (E) At the shareholders' meeting held on October 24, 2017, Brian Howlett was elected as a new director of the Company and, although his election had previously been noted in publicly filed documents, it was not disclosed in a press release issued by the Company, a requirement under TSXV policies.

Following receipt of a letter from the TSXV dated March 23, 2018, confirming the de-listing of the Company's Common Shares from the TSXV/NEX effective March 28, 2018, the Company has not received further correspondence from the TSXV to the date of this Prospectus.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS WITH THE COMPANY

Except as described herein, no Insider of the Company or associate or affiliate of an Insider of the Company has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect the Company.

The Company complied with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") for the issuance of the 400,000 common shares of the Company issuable as at September 30, 2016 and 1,600,000 common shares issuable as at September 30, 2017, all of which were issued on November 10, 2017. As some of the share issuances were "related party transactions" within the meaning of MI 61-101, the Company relied on Section 5.5(a) of MI 61-101 for the valuation exemption and on Section 5.7(a) of MI 61-101 for the disinterested shareholder approval exemption, for such issuances.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR OF THE COMPANY**

### **Auditors**

ACME's auditor is RSM Canada LLP, 11 King St. W, Suite 700, Box 27, Toronto, ON, M5H 4C7.

### **Transfer Agent and Registrar**

The transfer agent and registrar for ACME's Common Shares is Capital Transfer Agency ULC at its principal office in Toronto.

## **MATERIAL CONTRACTS OF THE COMPANY**

The Company does not currently have any contracts material to investors in the Common Shares, other than:

1. the Amalgamation Agreement (see "*Amalgamation – Reverse Take-Over of the Company*");
2. the ACME Stock Option Plan (see "*Options to Purchase Securities*"); and
3. the Transfer Agent Agreement.

## **EXPERTS OF THE COMPANY**

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this Prospectus as having prepared or certified a part of this Prospectus, or a report, valuation, statement or opinion described in this Prospectus, has received or shall receive a direct or indirect interest in any securities or other property of the Company or any associate or affiliate of the Company.

RSM Canada LLP, the Company's auditor, has confirmed that it is independent of ACME within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

## **OTHER MATERIAL FACTS OF THE COMPANY**

There are no material facts about the Company and the proposed Transaction which are not disclosed in this Prospectus.

## **FINANCIAL STATEMENTS AND MD&As OF THE COMPANY**

The following ACME financial statements are attached as Appendix A to this Prospectus and management's discussion and analysis for the corresponding periods are attached as Appendix B to this Prospectus:

- Audited financial statements as at and for the fiscal years ended September 30, 2017 and 2016;
- Interim financial statements for the three-month and nine-month periods ended June 30, 2018;
- Management's discussion and analysis for the three-month and nine-month periods ended June 30, 2018, and for the fiscal year ended September 30, 2017.



## PART TWO - RDT

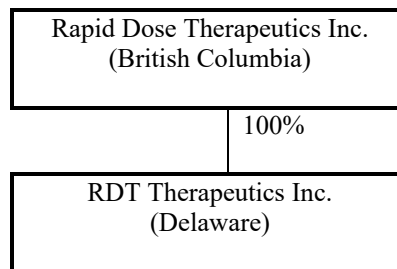
### CORPORATE STRUCTURE OF RDT – THE PROPOSED REVERSE TAKE-OVER CANDIDATE

#### Name, address and incorporation

Rapid Dose Therapeutics Inc. (“RDT”) was incorporated under the BCBCA on May 3, 2017, as CTC Pharma International Inc. On September 11, 2017, it changed its name to Rapid Dose Therapeutics Inc. RDT’s registered office is located at Suite 2900 - 595 Burrard Street, Vancouver, British Columbia, V7X 1J5. RDT's operations are currently carried out in Ontario at its head office in leased premises located at Unit 3, 1121 Walkers Line, Burlington, Ontario, L7N 2G4.

#### Intercorporate relationships

RDT currently has one wholly-owned subsidiary, RDT Therapeutics Inc., a corporation incorporated under the laws of the State of Delaware on January 17, 2018.



### DESCRIPTION OF THE BUSINESS OF RDT

#### Summary

RDT is a private Canadian bio-technology company which provides proprietary oral and non-invasive drug delivery technologies designed for applications of nutraceuticals, cannabis and active pharmaceutical ingredients. RDT has the exclusive right to supply certain oral dissolvable thin-film production equipment to the Canadian cannabis sector. It is pursuing two trade mark applications in Canada and two in the United States for QuickStrip™. RDT’s product focus is a proprietary oral fast-dissolving drug delivery system, which is capable of rapidly releasing into the blood stream a list of pharmaceuticals, emulsified oils and over-the-counter medicines without being degraded or modified by first pass metabolism in the liver. RDT also provides product innovation, production and consultation to the pharmaceutical and healthcare manufacturing industry. RDT has filed five provisional patent applications in the United States regarding its thin-film technologies and is currently preparing nine more provisional patent applications regarding these and related technologies. RDT is also formalizing its provisional patent applications to prosecute patent applications with a view to obtaining formal patents in the United States, Canada and other countries.

RDT researches, designs, distributes, and licenses the QuickStrip™, a film-forming polymer product that is the focus of RDT’s business. Quick-Strip™ is designed to provide a stable base for an active ingredient that may be a pharmaceutical product, a nutraceutical product, a cannabinoid product, or any product that would provide enhanced bioavailability in the human body by means of oral dissolution to achieve direct and effective delivery of the active ingredient into the bloodstream, and without the necessity of breakdown through digestive processes. While most oral fast dissolve strips deliver the product to the stomach for natural digestion and absorption into the blood, RDT’s QuickStrip™ uses a mechanical process for polymer micronization to produce a particle small enough to pass through the membranes in the mouth using natural forces including osmosis, thus avoiding the digestive tract.

RDT has recently started selling natural healthcare products (including vitamin B12 and caffeine) in Canada and in the United States under the QuickStrip™ brand using QuickStrip™ thin-film strips as a product delivery method.

RDT also recently obtained its first agreement to provide oral dissolvable thin-film production equipment, technology and supplies. RDT's United States subsidiary, RDT-US, has signed a five-year, renewable Managed Strip Services Agreement with Chemosis, a licensed producer and manufacturer of medicinal and recreational cannabis in California. Pursuant to the agreement, Chemosis was granted a license to use RDT's "QuickStrip™" trademarks and other intellectual property in connection with cannabis products produced by Chemosis at its manufacturing facility in Cathedral City, California and sold within the state of California. Under the terms of the Managed Strip Services Agreement, RDT-US will provide Chemosis with production equipment to be operated by Chemosis in California and licensing rights to RDT's technologies. RDT-US will also provide periodic deliveries of certain proprietary formulations and other supplies to enable Chemosis to produce, distribute and sell its cannabis products in California using RDT's QuickStrip™ product delivery method. Under the terms of the agreement, Chemosis is required to hold and maintain all necessary governmental authorizations, permits, licenses, orders, qualifications and other requirements of federal, state and municipal law and other regulatory requirements and to operate in compliance with them. To the best of RDT's knowledge, Chemosis has all permits and licenses required under the laws and regulatory requirements of the state of California and RDT is not aware of any violations or non-compliance with those licensing requirements or that regulatory framework. Chemosis will pay RDT-US certain service fees – both lump-sum initiating fees and periodic fees based on sales of Chemosis's products produced by Chemosis using RDT's QuickStrip™ product delivery technology. RDT-US also has a Managed Strip Services Agreement with Chemosis for products to be sold in the territory of Puerto Rico on terms similar to its Managed Strip Services Agreement with Chemosis for the state of California.

RDT and its subsidiary currently have three signed Managed Strip Services Agreements and anticipate signing more in the near future. In addition to RDT's subsidiary's agreements with Chemosis for the California and the Puerto Rico markets, RDT signed a 5-year renewable Managed Strip Services Agreement with Aphria Inc. ("Aphria") granting Aphria preferred vendor status to manufacture, distribute and sell cannabis products in Canada using RDT's QuickStrip™ proprietary delivery technology. The agreement also provides Aphria with rights to add additional territories to expand into other markets from time to time using RDT's QuickStrip™ proprietary delivery technology.

RDT does not directly engage in any U.S. marijuana-related activities as defined in Canadian Securities Administrators Staff Notice 51-352, although it does have ancillary involvement in U.S. marijuana-related activities as defined in Canadian Securities Administrators Staff Notice 51-352. While RDT, through one of its three divisions (sometimes referred to as verticals), will be licensing its intellectual property, technology and equipment and, as part of its services, providing polymer compounds to U.S.-based companies that may themselves participate in the manufacture, production and sale of cannabis products in designated states and territories in the United States market, these relationships are licensing relationships that license intellectual property developed in Canada to licensees in the United States. RDT does not cultivate, produce or distribute cannabis or cannabis products in the United States. RDT's form of managed strip agreements requires the licensee to be properly and continuously licensed in the state or territory in which it operates. Although RDT does not currently own any investments in any companies which are engaged in the cultivation or distribution of cannabis or cannabis products in the United States, RDT may in the future own shares in some of the companies (including Chemosis) with which it enters into managed strip services agreements to license its intellectual property, technology and equipment, RDT anticipates that its ownership of such investments will represent only a nominal percentage of such company's issued and outstanding shares and, accordingly, will not be significant. RDT's activities constitute ancillary industry involvement within the meaning of Staff Notice 51-352. See "*Risk Factors for the RDT Business.*"

RDT's head office is located at Unit 3, 1121 Walkers Line, Burlington, Ontario. It currently has nine people engaged on a full-time basis as independent contractors in various areas including research and development, intellectual property, finance, marketing, compliance, manufacturing and operation. RDT anticipates that most of these individuals will become employees in the near future.

## History since Incorporation

RDT was incorporated on May 3, 2017, under the name CTC Pharma International Ltd. pursuant to the BCBCA. On September 11, 2017, RDT changed its name to its current name, Rapid Dose Therapeutics Inc., to more effectively communicate its business purpose.

On May 29, 2017, RDT entered into an asset purchase agreement (“**APA**”) with CTT Pharmaceuticals, Holdings, Inc. (“**CTT**”) to acquire CTT’s patents, technology and processes for an oral fast-dissolving drug delivery system. The APA was terminated on October 31, 2017 as a result of RDT being unable to satisfy its due diligence requirements and obtain sufficient comfort with respect to the representations of CTT.

On November 15, 2017, RDT entered into a distributor agreement (the “**Distributor Agreement**”) with HED International Inc., situated in Ringoes, New Jersey, USA, an equipment manufacturer, providing RDT with the exclusive right to supply the manufacturer’s oral dissolvable thin-film production equipment (the “**HED Equipment**”) to the Canadian cannabis sector. The HED Equipment was not originally designed for use with cannabis products; it has multiple uses. It is only through RDT’s customizations that the HED Equipment became suitable for the production of oral dissolvable thin-films into which cannabis or nutraceutical substances can be added. The customizations were and are being developed in conjunction with HED International Inc. and with other suppliers in designing an integrated proprietary solution. On January 30, 2018, RDT acquired and took title to the first unit of such production equipment, to be utilized in RDT’s testing and development laboratory. It has since acquired a second unit for these purposes. It is the Licensed Producer’s responsibility to obtain all necessary approval and certification of the equipment and processes in relation to any equipment provided by RDT. Certain customers of RDT may license the customized equipment, to which hardware and software components are added, and others may only acquire technical know-how and software.

On November 30, 2017, RDT entered into a corporate finance services agreement with Gambier for merger and acquisition related services pursuant to which RDT agreed to pay Gambier (i) a retainer fee (payable in RDT Shares) equal to 7% of the then outstanding number of RDT Shares; (ii) a finder’s fee (payable in cash) equal to 7% of the proceeds raised by RDT from any investors introduced to RDT by Gambier; and (iii) an M&A fee equal to 7% of the number of securities issued in exchange for RDT Shares on completion of any business combination (the Amalgamation is such a business combination) less the securities received pursuant to clause (i) and the securities equivalent of the cash received pursuant to clause (ii) (accordingly, payable in Common Shares of the Company following completion of the Amalgamation).

On December 13, 2017, RDT signed a non-binding letter of intent (the “**LOI**”) with ACME to undertake a reverse takeover.

On January 17, 2018, RDT incorporated a subsidiary, RDT Therapeutics Inc., in the State of Delaware to own and manage RDT’s operations in the United States.

On January 26, 2018, RDT entered into a media services agreement with Market One Media Group Inc. (“**MMG**”) to provide a public and media public relations campaign and content services on broadcast television, online and across a broad spectrum of business and social networks (the “**Media Services Agreement**”). The fees for the services are \$140,000 plus taxes. The services commenced on January 26, 2018 for a one-year term.

Since January 2018, RDT has filed a series of five (5) provisional patent applications pertaining to processes and compositions useful for delivery of active pharmaceutical ingredients, including THC and cannabinoid derivatives, through the use of orally-administrable film strips. Patent applications in the United States, Canada, and other countries are subjected to rigorous examination by examiners having technical competence in relevant fields, in order to ensure that claimed inventions are fully and properly disclosed, and are both novel and not obvious in light of previously-known technology. The length of the examination process can be determined by many factors. Examination typically requires a period of one to five years, or more, before a final determination of patentability is made and a patent, if any, is granted. Under specified conditions such as a threat of infringement by a competitor, the period of examination of patent applications can be reduced in both the United States and Canada, as well as in some other countries.

Each of the five pending patent applications filed by RDT is a United States provisional patent application. A provisional patent application, without more, will not mature into a patent in any country. By law, however, such an application preserves the effective filing date (the “priority”) of the subject matter it discloses in the United States and in virtually all other commercially-significant countries in the world, for a period of up to one year. Thus, RDT has reserved its rights to seek patent protection for its inventions throughout most of the world. In order to perfect enforceable patent rights, RDT must file one or more regular applications covering the specific countries in which it wishes to acquire protection within one year of each respective filing date. Among the options available to RDT as a part of that process is the filing of one or more international patent applications under the Patent Cooperation Treaty (PCT). Where, as in RDT’s case, the application process has begun with filing of United States provisional patent applications, the examination process may be extended by a period of up to one year. Moreover, if a provisional patent application is followed by an international patent application under the PCT, the process may be extended by an additional period of approximately 18-30 months. In each of the foregoing cases, grant of a patent is contingent upon compliance with applicable requirements, including proper observance of filing deadlines. Accordingly RDT does not expect to have final determinations of patentability for its inventions until sometime between about 2019 and 2024.

The technology claimed in RDT’s patent applications could make significant contributions to RDT’s value and success. While it is not certain that any patents will ultimately be issued for any of RDT’s inventions, RDT has taken appropriate steps to reserve its rights and currently has no reason to believe that such patents will not be granted in due course. By law, patent applications (including provisional patent applications) in the United States, Canada and most other countries are maintained in strict confidence for a period of up to 18 months following their initial filing. At this point, it would not be in RDT’s interest to disclose details of its claimed technologies.

RDT entered into an agreement (the “**Research Support Agreement**”), effective March 1, 2018, with the McMaster University Chemistry Faculty to provide academic research support for RDT’s technical testing of the materials, processes and the chemistry of oral dissolvable thin-films. In furtherance thereof, the university is undertaking a research project. All intellectual property conceived, developed or first reduced to practice by the university in the performance of the research project being undertaken by the university pursuant to the terms of the Research Support Agreement will remain with RDT. The university will have a royalty-free license to use such intellectual property for research and educational purposes.

On July 11, 2018, RDT entered into an Amended and Restated Amalgamation Agreement to amend and supersede the Amalgamation Agreement dated April 6, 2018, amended by a first amending agreement on May 15, 2018, with the Company and Subco to complete a three-cornered amalgamation transaction which would constitute a reverse take-over of the Company by the shareholders of RDT. Pursuant to the terms of the Amalgamation Agreement, Subco, a wholly owned subsidiary of the Company, will amalgamate with RDT pursuant to a statutory procedure under the BCBCA and, in connection with such Amalgamation, each holder of RDT Shares will receive one Exchange Share of the Company in exchange for each RDT Share and the amalgamated corporation will become a wholly owned subsidiary of ACME (the “**Transaction**”). It is anticipated that, in connection with the Transaction, the Company will issue approximately 64,841,200 Exchange Shares, which will include 4,910,000 Exchange Shares being issued in exchange for 4,910,000 RDT Shares issued pursuant to RDT-PP at \$0.50 per share for gross proceeds of \$2,455,000 and 7,200,000 Exchange Shares being issued in exchange for 7,200,000 RDT Shares issued pursuant to the RDT-PP2 at \$0.75 per share for gross proceeds of \$5,400,000.

Closing of the Transaction is subject to a number of conditions set out in the Amalgamation Agreement including shareholder approvals (which approvals have been obtained), completion of a private placement by RDT (which has been completed) and approval of listing of the Company’s Common Shares on the CSE (which approval has been obtained subject to certain conditions). Concurrently with the completion of the Amalgamation Agreement, the Company intends to change its name to RAPID DOSE THERAPEUTICS CORP., or another name that is appropriate and reflective of the business of RDT. There is no assurance that the Amalgamation Agreement will be completed on its current terms or at all.

As of the date of this Prospectus, the Amalgamation has not been completed.

## **Business of RDT**

RDT is a Canadian bio-technology company providing disruptive proprietary delivery technologies designed to improve patient and user outcomes.

RDT has developed technologies for delivery devices for oral and non-invasive applications of nutraceuticals, cannabis and active pharmaceutical ingredients (“APIs”). RDT’s initial device, the QuickStrip™, provides a safe, accurately metered dosage with rapid take-up into the bloodstream, while enhancing bioavailability through elimination of the “first pass effect” occurring with tablets and capsules. RDT focuses on the development of proprietary assets through both in-house and third-party R&D programs.

RDT has recently started selling natural healthcare products (including vitamin B12 and caffeine) in Canada and in the United States under the QuickStrip™ brand using QuickStrip™ thin-film strips as a product delivery method.

RDT also recently obtained its first agreements to provide oral dissolvable thin-film production equipment, technology and supplies. RDT’s United States subsidiary, RDT-US, has signed a five-year, renewable Managed Strip Services Agreement with Chemosis, a licensed producer and manufacturer of medicinal and recreational cannabis in California. Pursuant to the agreement, Chemosis was granted a license to use RDT’s “QuickStrip™” trademarks and other intellectual property in connection with cannabis products produced by Chemosis at its manufacturing facility in Cathedral City, California and sold within the state of California. Under the terms of the Managed Strip Services Agreement, RDT-US will provide Chemosis with production equipment to be operated by Chemosis in California and licensing rights to RDT’s technologies. RDT-US will also provide periodic deliveries of certain proprietary formulations and other supplies to enable Chemosis to produce, distribute and sell its cannabis products in California using RDT’s QuickStrip™ product delivery method. Under the terms of the agreement, Chemosis is required to hold and maintain all necessary governmental authorizations, permits, licenses, orders, qualifications and other requirements of federal, state and municipal law and other regulatory requirements and to operate in compliance with them. To the best of RDT’s knowledge, Chemosis has all permits and licenses required under the laws and regulatory requirements of the state of California and RDT is not aware of any violations or non-compliance with those licensing requirements or that regulatory framework. Chemosis will pay RDT-US certain service fees – both lump-sum initiating fees and periodic fees based on sales of Chemosis’s products produced by Chemosis using RDT’s QuickStrip™ product delivery technology.

RDT-US has also recently signed a similar agreement with Chemosis for cannabis products in Puerto Rico.

In addition to RDT-US’s agreements with Chemosis for the California and Puerto Rico cannabis markets, RDT signed a 5-year renewable Managed Strip Services Agreement with Aphria granting Aphria preferred vendor status to manufacture, distribute and sell RDT’s QuickStrip™ proprietary delivery technology for the cannabis market in Canada. The agreement also provides Aphria with rights to add additional territories to expand into other markets from time to time using RDT’s QuickStrip™ proprietary delivery technology.

With a view to meeting commitments under the Managed Strip Services Agreements that have been entered into, RDT purchased and has taken delivery of one complete oral dissolvable film processing system consisting of a film-making machine and a strip packaging machine. RDT also purchased and took delivery of an ODF slitter. RDT plans to place orders for additional equipment in the near future.

RDT outsources the manufacturing of its oral thin-film strip to a certified facility in compliance with the requirements imposed by applicable legislation. As described above, that manufacturing has recently commenced and RDT has started selling natural healthcare products in Canada and the United States.

RDT is focused on the achievement of its vision – that oral thin-film strips are embraced by consumers everywhere as the safest, most effective delivery device for low-dose, high-impact drug, vitamin and personal use products. RDT believes that the ability to create consumer awareness of the benefits of RDT’s delivery system and to turn that awareness into sales is critical to RDT’s financial success. Accordingly, the media and publicity channels that create this awareness and influence the consumer’s purchasing decision are the primary focus of RDT’s marketing and advertising strategies.

Consumer demand for the active ingredient that uses RDT's QuickStrip™ as a delivery method will be a key factor for the sales success of RDT's products. RDT's customers are responsible for marketing and advertising their products delivered using the QuickStrip™ as a delivery method. RDT's customers' selling processes and RDT's relationships with its customers are significantly different in each of RDT's three vertical markets (nutraceuticals, cannabis and pharmaceuticals). While a sale to the consumer of the active ingredient is the common objective throughout all three verticals, each vertical has unique factors that influence the consumer purchasing decisions for those active ingredients. Separate marketing strategies and cost structures are utilized by RDT in each of the verticals.

The importance of the delivery device in consumer purchasing decisions is, in most instances, secondary to the purpose and function of the active ingredient. Consumers' priorities are – first, product selection and second, how the product is delivered. The communication to consumers regarding the product/delivery device relationship is an important marketing strategy for achieving QuickStrip™ sales. RDT and its customers have specific marketing and consumer awareness programs intended to highlight the benefits of the QuickStrip™ thin-film strips with the point of purchase product options.

RDT has five provisional patent applications pending in the United States and is in the process of preparing applications for additional provisional patent applications, as well as patent applications.

#### *Nutraceuticals and over-the-counter (OTC) products*

This division focuses on the development of the Over-the-Counter (“OTC”) Nutraceutical products with distinct attributes and benefits targeting the global consumer market. The goal is to provide buyers with an effective delivery alternative compared to pills, patches, injection, or inhalation products.

A wide range of products can be effectively delivered by RDT's QuickStrip™ oral thin-film strips. RDT has an initial suite of three commonly purchased products not previously mass-marketed utilizing oral thin-film strips for delivery of the active ingredients. RDT's initial product line uses recognized natural products such as caffeine, vitamin B12 and melatonin to expose consumers to the concept of taking a strip as a preferred consumer product rather than the current delivery methods available. RDT's business plan was to start with Energy QuickStrip™, B12 QuickStrip™ and Sleep QuickStrip™ - which has recently been implemented. Following those initial product offerings, products that are proposed to be added as customers become more accustomed with the delivery mode include antihistamines, pain medications, relaxation nutraceuticals, sleep enhancers, pro-biotics, chronic pain medicines and other commonly used medications.

The primary targets for RDT are the large Canadian and USA retail chains selling high-volume consumer-oriented products, starting with mass-reach distribution C, B, A stores. However, RDT believes that there is a worldwide market for RDT's QuickStrip™ nutraceutical and OTC products. RDT is pursuing distribution agreements for RDT products in other countries in order to take advantage of the production capabilities RDT has acquired through its nutraceutical co-packing supply arrangements with a manufacturing and processing company that operates a certified facility approved by Health Canada. The U.S. market provides a significant second opportunity with its large complement of national retailers. U.S. market entry was initially scheduled to be subsequent to the completed roll out in Canada; in that regard, sales of nutraceuticals using the QuickStrip™ brand have recently commenced in both Canada and in the United States.

RDT has initiated this marketing strategy by outsourcing the production of certain selected natural healthcare products (including QuickStrip™ B12, QuickStrip™ Energy and QuickStrip™ Melatonin) under the QuickStrip™ brand using QuickStrip™ thin-film strips as a product delivery method. These selected natural healthcare products have received all necessary approvals from Health Canada (including packaging and labelling), including NPNs. Production has recently commenced in a certified facility. Although a few initial sales have been completed in Canada and the United States, there is no assurance that the market for RDT's QuickStrip™ natural healthcare products will grow into any substantial volumes or become profitable.

RDT continues to execute on this strategy to enter the nutraceutical/over-the-counter (“OTC”) sector, initially through completion of a distribution agreement providing the distributor the rights to sell nutraceuticals and over-the-counter products under RDT's brand name QuickStrip™.

The QuickStrip™ as a drug delivery system (referred to in the regulations as the “dosage form”) is not subject to pre-market approval by Health Canada under the *Cannabis Act* at this time. The “pharmaceutical form” or “dosage form” are the terms used commonly in the pharma industry. Both refer to the form of presentation in which the product is supplied, for example, tablet, capsule, powder, etc. In this case, the QuickStrip™ would be used rather than a capsule or tablet. The dosage form is part of the pre-market licensing review process and it is typically the responsibility of the party seeking to introduce the therapeutic product to the marketplace to obtain the requisite approval. Review and approval of the QuickStrip™ as a drug delivery system would normally be part of the process validation that would be completed prior to the distribution of a therapeutic product.

Approval of cannabis related therapeutic products would be the responsibility of the party making the submission to Health Canada for pre-market approval of the proposed product, including its dosage form and delivery format. The manufacturer of a cannabis product could, for example, enter one of the formal drug approval processes, such as prescription or over the counter drugs (DINs/NPNs). RDT is not a manufacturer of cannabis products; however, currently RDT has three agreements with Licensed Producers in Canada. RDT’s agreements with its Licensed Producers in Canada, require such Licensed Producers to obtain and maintain all approvals required by law.

While at present there is no unique review process for the delivery system of cannabis as a drug, the Cannabis Regulations do make reference to “discrete units” of a cannabis product as a delivery method. Such discrete units must meet requirements of a dissolution or a disintegration test that is applicable to its formulation as set out under the *Food and Drugs Act* and Regulations.

It is the responsibility of Licensed Producers to sell cannabis products in accordance with the *Cannabis Act* and Regulations and the *Food and Drugs Act* and its Regulations.

There is no assurance, at this time, that an application by any Licensed Producer which RDT may secure as customers will result in an approval of the oral thin-film strip as an allowable dosage form for a therapeutic product under the *Food and Drugs Act* and Regulations and/or the *Cannabis Act*.

The QuickStrip™ may also have application to non-therapeutic cannabis products in the future. Under the *Cannabis Act* certain classes of cannabis products, such as edibles and concentrates, are currently prohibited from sale, but it is contemplated under the *Cannabis Act* that such sale will be permitted in the future. It is uncertain when, if ever, that will occur and, if it does, on what terms and conditions.

RDT believes that the QuickStrip™ has consumer benefits and the required scientific data supporting the process used by Health Canada in approving the oral thin-film strip.

The approval and certification of any production equipment to be used in the production of the oral thin-film strips (including any equipment which may be supplied by RDT) will be the responsibility of the Licensed Producer customer.

Also, in Canada, all consumer health products that contain natural health product active ingredients are called Natural Health Products (NHP). These come in various dosage forms such as capsules, tablets, powders, gels and have various routes of administration including oral, topical, nasal to name a few. A Natural Health Product must have a Product License Application prepared and submitted to obtain a Natural Product Number (NPN) or, if it is a homeopathic, a homeopathic medicine number (HM-DIN) prepared.

Health products containing cannabis will be subject to both the *Food and Drugs Act* and the *Cannabis Act*. Such health products include:

- prescription drugs containing cannabis;
- medical devices containing cannabis or for use with cannabis; and
- Natural Health Products (NHPs) containing parts of the cannabis plant permitted under the *Natural Health Products Regulations*.

Natural Health Product requires at least one health claim. A health claim can be structure-function (e.g. a source of anti-oxidants), preventative (e.g. helps prevent sunburn) or therapeutic (e.g. helps to relieve the pain associated with osteoarthritis of the knee). The license submission for approval of a Natural Health Product must include evidence satisfactory to Health Canada that the medicinal ingredients are safe and effective in connection with the proposed health claims.

Natural Health Product labels must adhere to the NHP Labelling regulations and must be bilingual.

When the product license application (PLA) is submitted, a submission number is issued typically in 5 to 10 days. The Natural and Non-Prescription Health Product Directorate (NNHPD) will evaluate the PLA further and may ask for additional information (called an information request notice). Licensing can take 10 days to a number of years.

The NNHPD requires all pertinent data associated with the product from active medicinal ingredients to non-medicinal ingredients to be provided including their source, reference numbers from the NHP data base to prove they are safe for consumption, plus an association to an existing formulary that has proven efficacy and safety data. After the review of this data and acceptance by Health Canada a NPN number is issued for the products.

There is mandatory information that needs to appear on specific sides and sizes such as outlined by Health Canada such as ingredients, dosage, delivery method, lot, expiry, safety data, contraindications, NPN display, etc. There are also branding requirements that need to be adhered to.

For natural health products, RDT filed for and obtained approval by Health Canada for its QuickStrip™ B12, QuickStrip™ Energy, and QuickStrip™ Melatonin under the NNHPD regulations and process. NPNs have been received for these products. QuickStrip™ nicotine, 1 mg and 2 mg dosing, was submitted to Health Canada under the NNHPD guidelines which permit for submissions under 4 mg of nicotine, and it was accepted for review as a Schedule 3 product on June 17, 2018. A response is expected according to the Health Canada mandates after submission. Following similar regulations about ingredients and packaging, RDT has finalized the packaging requirements for the United States under the FDA regulations and is ready for sale as of September 24, 2018. Letters of submission to the FDA communicating the final compliance acceptance have been forwarded to the FDA for their archive but acknowledgment of receipt has not been received by RDT from the FDA. No secondary approvals are required and RDT has met all of the milestones as outlined by the compliance consultants who completed the due diligence and requirement documentation for QuickStrip™ submissions to the federal regulators.

All pharmaceutical related approvals are the responsibility of the manufacturer or producer based on their local regulations and the countries or regions in which they intend to sell products.

QuickStrip™ Nicotine, 1 mg and 2 mg dosing, was submitted to Health Canada under the NNHPD guidelines which permit for submissions under 4 mg of nicotine, and it was accepted on June 17, 2018 for review as a Schedule 3 product. A response is expected according to the Health Canada mandates.

RDT does not intend to cultivate, process or sell any cannabis products. However, RDT does expect that some of the third parties who may license RDT's technologies may use RDT's technologies as a product delivery method for their cannabis products. For all licensing agreements entered into by RDT, all cannabis-related approvals will be the responsibility of the licensed producer. RDT is not a manufacturer of cannabis products and leaves all approvals to the producers, as required by law. Similarly, all pharmaceutical related approvals will be the responsibility of the manufacturer based on their local regulations in the countries or regions in which they intend to sell their products.

Milestones for RDT to achieve in the OTC Nutraceutical Products division include the following:

- selecting three high-volume products to launch into the market (completed);
- securing the QuickStrip™ trademark (applications filed in Canada and the United States) and related packaging design;
- production of products and development of inventory available for sale (commenced);



- review and approval of initial products by Health Canada (completed);
- selection and securing a distributor with more than 25 years of experience and with national reach; and
- testing samples and securing positive testimonials

#### *Cannabis sector*

Canada, having enacted a national strategy for the production and sale of cannabis for medical and recreational uses, RDT's business plan is for RDT to provide a Managed Strip Service to enable independent licensed cannabis producers to produce and sell cannabis using RDT's QuickStrip™ delivery device. The *Cannabis Act* requires cannabis products to be produced within approved licensed producer facilities. RDT's business plan is for RDT to provide equipment, technology and packaging and formulation supplies (without any cannabis content) to licensed producers in a turn-key process for production of the QuickStrip™ oral thin-film strips containing the licensed producer's products added to QuickStrip™ oral thin-film strips by those licensed producers. Each such licensed producer is required to sign a Managed Strip Services Agreement with RDT which provides a fee -for -service model thereby generating revenues for RDT.

The use and possession of cannabis is illegal under United States federal law for any purpose, by way of the Controlled Substances Act of 1970. Cannabis is classified as a Schedule I substance, determined to have a high potential for abuse and no accepted medical use, thereby prohibiting even medical use of the drug. At the state level, however, policies regarding the medical and recreational use of cannabis vary greatly and, in many states, approved legislation conflicts with federal law. Federal laws currently in force in the United States with regard to the production, sale and possession of Cannabis overlay the states' legislation. RDT provides the QuickStrip™ brand license, production equipment, formulation and processing technology for lawful use within a designated state by a local grower or producer in compliance with that state's laws, regulations and licensing requirements.

This unique business vertical – the cannabis delivery product - will provide RDT's customers who are legal cannabis growers (US) and licensed producers (Canada) selling into the medical markets the opportunity to contract and utilize RDT formulations under a Managed Strip Services Contract. In this part of RDT's business initiatives, RDT will supply a turnkey service including the intellectual property, machinery, training and research and development necessary to produce the polymer matrix that will carry the cannabis product from the producer to the consumer. RDT's strategy is to have its customer provide the drug input into RDT's QuickStrip™ product on the customer's licensed premises. The customer will produce its own products using the QuickStrip™ technology and trademark under license and will pay service fees to RDT for all sales. This market is aligned geographically and by regulatory policies. RDT is not the manufacturer and will not directly engage in any U.S. marijuana-related activities as defined in Canadian Securities Administrators Staff Notice 51-352. It is a licensor of the technology and intellectual property. While RDT will be licencing its equipment and technology to U.S.-based companies that may themselves participate in the U.S. cannabis market, these relationships are licensing relationships that license intellectual property developed in Canada for use by licensees in the United States. See "*Risk Factors for the RDT Business.*"

Milestones for RDT to achieve in its Managed Strip Services Division include the following:

- identification of customers in Canada, United States and the European Union
- signing non-binding letters of intent or memoranda of understanding
- negotiating and signing Managed Strip Service Agreements

In this regard, RDT's United States subsidiary, RDT-US, has signed a five-year, renewable Managed Strip Services Agreement with Chemosis, a licensed producer and manufacturer of medicinal and recreational cannabis in California. Pursuant to the agreement, Chemosis was granted a license to use RDT's "QuickStrip™" trademarks and other intellectual property in connection with cannabis products produced by Chemosis at its manufacturing facility in Cathedral City, California and sold within the state of California. Under the terms of the Managed Strip

Services Agreement, RDT-US will provide Chemosis with production equipment to be operated by Chemosis in California and licensing rights to RDT's technologies and RDT-US will also provide periodic deliveries of certain proprietary formulations and other supplies to enable Chemosis to produce, distribute and sell its cannabis products in California using RDT's QuickStrip™ product delivery method. Under the terms of the agreement, Chemosis is required to hold and maintain all necessary governmental authorizations, permits, licenses, orders, qualifications and other requirements of federal, state and municipal laws and other regulatory requirements and to operate in compliance with them. Chemosis will pay RDT-US certain service fees – both lump-sum initiating fees and periodic fees based on sales of Chemosis's products produced by Chemosis using RDT's QuickStrip™ product delivery technology.

As part of RDT's efforts in moving toward the achieving such milestones, RDT signed a Managed Strip Services Agreement with Aphria, a leading global cannabis company headquartered in Leamington, Ontario, related to RDT's QuickStrip™ products. Under the terms of the Managed Strip Services Agreement, RDT agreed to provide Aphria with preferred rights to produce, distribute and sell QuickStrip™ products for cannabis markets in Canada using QuickStrip™ trademarks and technology. Under the agreement, Aphria will have the ability to extend the agreement to enable it to bring products developed using RDT's QuickStrip™ technology to international markets where Aphria operates currently and in the future. RDT-US has also signed a second Managed Strip Services Agreement with Chemosis for products to be sold in the territory of Puerto Rico on terms similar to its agreement with Chemosis for the state of California.

#### *Pharmaceuticals*

RDT has identified early-to-market product applications for QuickStrip™ oral thin-film strips within the pharmaceutical sector. RDT's formulated RD-mx™ is prepared with different matrix parameters depending on the volume of the active pharmaceutical ingredient (“API”) added to the formulation. RDT has identified and is in discussion with drug manufacturers seeking to promote existing products. RDT's business strategy focuses on the delivery of our proprietary formulation and supporting data analysis of its efficacy with the API. Independent clinical trials are a foundational component of the pharma strategy, with testing the responsibility of the pharmaceutical company that would be RDT's customer unless otherwise required. RDT's entry into the pharmaceutical sector is scheduled to be initiated subsequent to entry into the other verticals.

#### *Ongoing Research and Intellectual Property Developments*

RDT is continuing with its efforts to secure its intellectual property rights. In addition to pursuing the five provisional patent applications that it has made, RDT is developing additional provisional patent applications for various aspects of its QuickStrip™ products and technologies and pursuing the patent application process.

It has signed a research agreement with Chemistry Faculty of McMaster University to provide academic research support for RDT's technical testing of the materials, processes and the chemistry of oral dissolvable thin-films. The university has completed this research project. All intellectual property conceived, developed or first reduced to practice by the university in the performance of the research project undertaken by the university pursuant to the terms of the Research Support Agreement will remain with RDT. The university will have a royalty-free license to use such intellectual property for research and educational purposes.

RDT has also signed an agreement with University of Nevada Las Vegas (“UNLV”) related to RDT's QuickStrip™ products. Under the scope of the research, RDT will provide UNLV with QuickStrip™ products for exclusive specialized testing to determine the comparative benefits between other dosage forms (such as oral and injected) of the same active pharmaceutical ingredients on the behavior, bioavailability, and brain waves of subjects. Route of administration is well known to dramatically affect the physiological and behavioral response to drugs. Drug delivery via injection and inhalation are known to permit rapid access to the nervous system allowing rapid onset of the therapeutic effects; however, these routes of administration are limited by their ease of use and social acceptability. Under the agreement, a team of researchers will conduct comparative studies using established protocols to evaluate whether the QuickStrip™ delivery system improves the rapidity and functionality of therapeutics compared to standard routes of administration. The RDT/UNLV project will assess QuickStrip™ delivery on absorption, distribution, metabolism, electroencephalography and behavioral outcomes.

## *Trademarks*

RDT has applied for rights to numerous trademarks in connection with the operation of its business in Canada including the following: QUICKSTRIP, QUICKSTRIP LOGO, Q LOGO, Q, RDT RAPID DOSE THERAPEUTICS LOGO, LEAF, FILMJET, ANYTIME, ANYWHERE and QUICK CONVENIENT PRECISE DISCREET. It has also applied for the registration of trademarks in the United States including the following: FILMJET, QUICKSTRIP, QUICKSTRIP LOGO, Q LOGO, Q, RDT RAPID DOSE THERAPEUTICS LOGO, QUICK CONVENIENT PRECISE DISCREET and ANYTIME, ANYWHERE. All other tradenames, trademarks or service marks appearing in this Prospectus that are not identified as marks owned by RDT are the property of their respective owners.

Like patents, United States and Canadian trademark applications are subjected to rigorous examination by specialized examiners. In the case of trademarks, the distinctiveness and similarity of the proposed marks, and the manner of their proposed use, to those used or registered by other parties are among the factors considered during examination. The pace of trademark examination can be influenced by a number of factors, and there is no certainty that any registration will ultimately issue. In both the United States and Canada examination of a trademark application can typically require a period of one to three years, and in some cases more. Solely for convenience, the trademarks and trade names referred to in this Prospectus may be listed without the ® or ™ symbols but RDT will assert to the fullest extent under applicable law, its applicable rights in these trademarks, and/or trade names.

## **DIVIDEND POLICY OF RDT**

RDT has not paid any dividends on its RDT Shares, and its Board does not expect to declare or pay any dividends on its RDT Shares in the foreseeable future. Payment of any dividends will be dependent upon RDT's future earnings, its financial condition, and other factors that its Board determines are relevant.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RDT**

Management's discussion and analysis of RDT in respect of its business and activities for the period from the date of incorporation of May 3, 2017 to February 28, 2018 and for the 6 months ended August 31, 2018 are included in Appendix E to this Prospectus and should be read in conjunction with the audited consolidated financial statements of RDT for the period from the date of incorporation of May 3, 2017 to February 28, 2018 and the related notes thereto and the unaudited interim consolidated financial statements for the 3 months and 6 months ended August 31, 2018 and 2017 and the related notes thereto, included in this Prospectus in Appendix "D" and to which the management's discussion and analysis relates.

All of the information presented in the management's discussion and analysis of RDT is based on RDT's consolidated financial statements referred to above, which were prepared in accordance with IFRS. All amounts included in the financial statements and in the management's discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

## **DESCRIPTION OF SECURITIES OF RDT**

### **Common Shares**

The authorized capital of RDT consists of an unlimited number of common shares (the "RDT Shares"). Each common share is equal to every other common share with respect to all rights and restrictions.

As at the date of this Prospectus, following completion of RDT-PP, the last tranche of which closed on July 25, 2018, and RDT-PP2 which closed on August 27, 2018, RDT has 64,841,200 RDT Shares issued and outstanding. Holders of RDT Shares are entitled to one vote per share upon all matters on which shareholders have the right to vote. The RDT Shares do not have pre-emptive rights and are not subject to redemption or retraction provisions. RDT may, if authorized by its Board, purchase or otherwise acquire any of its RDT Shares at a price and upon the terms determined by its Board. Holders of RDT Shares are entitled to receive such dividends as may be declared by the RDT Board of Directors out of funds legally available therefor. In the event of dissolution or winding up of the

affairs of RDT, holders of the RDT Shares then outstanding are entitled to share ratably in all assets of RDT remaining after payment of all amounts due to creditors.

## Warrants

In conjunction with a private placement of units in November 2017, RDT issued 840,000 share purchase warrants (each a “**RDT Warrant**”), each such RDT Warrant entitling the holder to purchase from the treasury of RDT, on exercise, one (1) RDT Share, at a price of \$0.75 per common share, for a period of five months subsequent to the date RDT’s shares are first listed for trading on a stock exchange in Canada. A fair value of \$74,282 was assigned to these warrants using the Black-Scholes valuation model with the following assumptions: share price \$0.50, expected dividend yield 0%, expected volatility 90.29%, risk free rate of return 1.31% and an expected life of one year.

## CONSOLIDATED CAPITALIZATION OF RDT

The following table sets forth the share and loan capital of RDT as at the dates shown below. The table should be read in conjunction with, and is qualified in its entirety by, RDT’s audited consolidated financial statements as at and from the date of incorporation of May 3, 2017 to February 28, 2018.

	Authorized Capital	Outstanding as at February 28, 2018	Outstanding as at the date of this Prospectus
Common Shares	Unlimited	54,331,200(1)	64,841,200(1)
Warrants	Unlimited	840,000	840,000
Options	Nil	Nil	Nil
Other Rights	Nil	Nil	Nil

Notes

- (1) This does not include any RDT Shares issuable pursuant to the exercise of any RDT Warrants or any shares issuable to Gambier as an M&A fee pursuant to the Corporate Finance Services Agreement.

## OPTIONS TO PURCHASE SECURITIES OF RDT

There are no stock options issued by RDT under any incentive stock option plan or otherwise as of the date of this Prospectus.

## PRIOR SALES OF RDT SHARES

From the date of incorporation to the date hereof, RDT has completed a series of private placements of common shares and debt settlements for shares in Canada which are set out in the table below.

Date	Description	Price Per Share	Shares Issued	Proceeds
May 3, 2017	Shares issued to founder	\$0.01	1,200	\$12
June 14-19, 2017	Shares for Services Rendered	\$0.01	23,359,333	\$233,593
June 20, 2017	Private Placement of Shares	\$0.01	276,925	\$2,769
June 23, 2017	Shares for Services Rendered	\$0.02	23,336,917	\$466,738
June 23, 2017	Private Placement of Shares	\$0.02	1,481,825	\$29,637
June 29-30, 2017	Shares for Services Rendered	\$0.01	2,200,000	\$22,000
July 15, 2017	Shares for Services Rendered	\$0.05	1,235,000	\$61,750
July 25, 2017 – Nov.6, 2017	Private Placement of Units <sup>(1)</sup>	\$0.50	840,000	\$420,000

Date	Description	Price Per Share	Shares Issued	Proceeds
July 25, 2017 – Nov.6, 2017	Private Placement of Shares	\$0.50	400,000	\$200,000
Jan. 18, 2018 – March 12, 2018	Private Placement of Shares	\$0.50	1,380,000	\$690,000
February 20, 2018	Shares for Services Rendered	\$0.50	50,000	\$25,000
May 15, 2018	Private Placement of Shares	\$0.50	650,000	\$325,000
May 30, 2018	Private Placement of Shares	\$0.50	708,000	\$354,000
June 13-21, 2018	Private Placement of Shares	\$0.50	1,616,500	\$808,250
July 25, 2018	Private Placement of Shares	\$0.50	105,500	\$52,750
August 27, 2018	Private Placement of Shares	\$0.75	7,200,000	\$5,400,000
<b>Total:</b>			<b>64,841,200</b>	

Notes:

- (1) Private placement of units, each unit consisted of one RDT Share and one RDT Warrant.

## Trading Price and Volume

RDT Shares are not currently listed and do not trade on any stock exchange.

## PRINCIPAL SECURITY HOLDERS OF RDT

To the knowledge of management of the Company, no person or company owns of record or beneficially, or exercises control or direction over, directly or indirectly, of more than 10% of any class of voting securities of RDT, save and except as set out below.

Name of Shareholder	Total shares beneficially held or over which shareholder has control or direction	Percentage ownership
Mark Upsdell	11,786,390	18.2%
Aphria Inc.	7,200,000	11.1% <sup>(1)</sup>

Note:

- (1) On completion of the Transaction, Aphria Inc. (“Aphria”) will hold less than 10% of the issued and outstanding shares of the Resulting Issuer. There is no shareholder agreement or other similar agreement entitling Aphria to a nominee on the board of directors of RDT or the Resulting Issuer or any other arrangement giving Aphria significant influence over RDT’s or the Resulting Issuer’s financial or accounting policies.

## DIRECTORS AND OFFICERS OF RDT

Name and Place of Residence	Present and Principal Occupation During the Past Five Years	Common Shares Beneficially Owned	Date of Appointment
Mark Upsdell, Director and CEO, Burlington, Ontario	Director and CEO of RDT since May 3 <sup>rd</sup> , 2017; prior thereto Director, Global Strategy and Planning of Cisco Systems, Inc. (a technology conglomerate) from 2011 to April 2017	11,786,390	May 3, 2017
Jason Lewis, Director and SVP Business Development, Oakville, Ontario	Senior VP Business Development of RDT since May 3 <sup>rd</sup> , 2017; Director of RDT since June 15, 2018; prior thereto President of PharmaComm Inc. (an advertising company) from November 2003 to May 2017.	4,750,000	May 3, 2017 (Senior VP Business Development) June 15, 2018 (Director)
Lino Fera, CFO	CFO of RDT since August 1, 2017; prior	750,000	August 1, 2017

Name and Place of Residence	Present and Principal Occupation During the Past Five Years	Common Shares Beneficially Owned	Date of Appointment
Burlington, Ontario	thereto CFO of Starshot Ventures Inc. (a marketing company) from January, 2000 to March, 2017.		
Kenneth Fox, Director Burlington, Ontario	Director, Central East Region and Director, Central West Region for the Ministry of Labour since 2011.	100,000	Proposed Director of RDT

The terms of the foregoing director and officer appointments shall expire at the next annual shareholders meeting.

## Biographies

### *Mark Upsdell, Chief Executive Officer and Director*

Mr. Upsdell has over 25 years of experience in management, sales and strategic planning. Mr. Upsdell is the Founder and has been a director and the CEO of RDT since its incorporation on May 3rd, 2017. Prior to that, Mr. Upsdell was Director, Global Strategy and Planning of Cisco Systems, Inc. (a high-tech conglomerate) from 2011 to April 2017. Mr. Upsdell was also formerly a sales executive for Hewlett-Packard (a technology company) from January 2000 to November 2011. Mr. Upsdell graduated from Conestoga College in 1982 with a diploma in Business Administration and graduated in 1983 from McMaster University with a Diploma in Computer Science.

### *Jason Lewis, Senior Vice- President of Business Development and Director*

Mr. Lewis has over 25 years of experience in sales, marketing and innovation in the bio-technology industry. Mr. Lewis is currently the Senior Vice-President of Business Development and a Director of RDT. Mr. Lewis was formerly the Founder and President of RemoteRep Inc. (a sales and marketing company) and PharmaComm Inc. (an advertising company). Prior to that, Mr. Lewis served as Vice-President of MarketForce Inc. (a sales and marketing company) and as Director of International Marketing for Apotex International Inc. (a pharmaceutical manufacturing company). Mr. Lewis graduated in 1991 and with a BA in Economics from the University of Western Ontario and also graduated in 1999 with an Executive MBA from Queen's University. Mr. Lewis was a guest lecturer for marketing communications at Wilfrid Laurier University from 2005 to 2006 and from 2006 to 2011 he was Co-investigator: Creation and Evaluation of a Novel Model for Guideline Implementation: Total Bipolar Management at the University of Toronto.

### *Lino Fera, Chief Financial Officer*

Mr. Fera has over 25 years of management, operational and leadership experience. Mr Fera has been CFO of RDT since August 1, 2017. Prior to that, Mr. Fera was the CFO of Starshot Ventures Inc. (a sales and marketing company) from January, 2000 to March, 2017. In addition, Mr. Fera authored a book entitled 'The Waiting Game', which was published in March, 2018. In 2016, Mr. Fera co-founded Cribwolf Foundation, a non-profit organization, to address the global housing crisis for individuals with intellectual, developmental and physical disabilities. Mr. Fera graduated from the University of Toronto in 1978 with a honours BA and graduated from the University of Windsor with a B.Comm in 1981. Mr. Fera received his CPA designation in 1985.

### *Kenneth Fox, Proposed Director*

Mr. Fox has over 25 years of corporate tax, strategy and policy development, project management, change management, labour relations and organizational design experience. Mr. Fox is a proposed director for RDT. Mr. Fox has been the Director, Central East Region and Central West Region for the Ministry of Labour since 2011. Prior to that, Mr. Fox held various director positions at the Ministry of Finance/Revenue (Ontario) including Director of retail sales tax audit, Director of corporations tax audit and Regional Director from 2002 to 2011. Mr. Fox graduated from Mohawk College in 1981 with a business administration diploma and received his CMA designation in 1990 through the University of Calgary, and then he received his CPA designation in 2013.

### **Aggregate Ownership of Securities**

The directors and officers of RDT, as a group, directly or indirectly, beneficially own 17,386,390 RDT Shares, representing approximately 26.8% of the issued and outstanding common shares of RDT on an undiluted basis.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

None of the directors, officers or other members of management of RDT has, within the past ten years, been a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days;
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been 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.

### **Penalties or Sanctions**

No director or executive officer of RDT has, within the past ten years, been subject to any penalties or sanctions imposed by a court or by a securities regulator authority relating to securities legislation or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcies**

No current or proposed director of RDT has, within the past ten years, been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 individual.

### **Conflicts of Interest**

Conflicts of interest may arise as a result of the directors and officers of RDT holding positions as directors or officers of other companies. Some of the directors and officers have been, and will continue to be, engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and behalf of other companies, and situations may arise where directors and officers will be in direct conflict or competition with RDT. Conflicts, if any, will be subject to the procedures and remedies of the BCBCA.

## **EXECUTIVE COMPENSATION OF RDT**

### **Named Executive Officers**

As defined under applicable securities legislation, RDT had three "Named Executive Officers" during the period from the date of incorporation of May 3, 2017 to February 28, 2018 as set out below:

Mark Upsdell: President and Chief Executive Officer since May 3, 2017.

Jason Lewis: Senior Vice-President Business Development since May 3, 2017.

Lino Fera: Chief Financial Officer since August 1, 2017.

## Summary Compensation Table

The following table sets out certain information respecting the compensation paid to RDT's named executive officers, its President and Chief Executive Officer, SVP Business Development and CFO, from RDT's inception to February 28, 2018. These individuals are referred to collectively as the "Named Executive Officers" or "NEOs."

Amounts reported in the tables that follow are in Canadian dollars and further details and explanations as may be required are provided in the footnotes following the applicable table.

**Table of Compensation**

Name and position	Financial Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Share-based awards (\$)	Value of other Compensation (\$)	Total Compensation (\$)
Mark Upsdell, President, CEO and Director	2018	\$341,234	Nil	Nil	Nil	Nil	\$341,234
Lino Fera, CFO <sup>(1)</sup>	2018	\$48,120	Nil	Nil	Nil	Nil	\$48,120
Jason Lewis, SVP Business Development and Director <sup>(2)</sup>	2018	\$159,167	Nil	Nil	Nil	Nil	\$159,167

Notes:

- (1) Lino Fera was first appointed to be CFO of RDT on August 1, 2017.  
(2) Jason Lewis was first elected to be a director of RDT on June 15, 2018.

## Stock options and other compensation securities

As of the date of this Prospectus, RDT has not granted any stock options.

Compensation Securities							
Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Mark Upsdell, President, CEO and Director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Lino Fera CFO <sup>(1)</sup>	Options	Nil	N/A	N/A	N/A	N/A	N/A
Jason Lewis, Senior VP Business Development and Director <sup>(2)</sup>	Options	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Lino Fera was first appointed to be CFO of RDT on August 1, 2017.



Compensation Securities							
Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date

(2) Jason Lewis was first elected to be a director of RDT on June 15, 2018.

The following table sets out each exercise by a director or named executive officer of compensation securities during the most recently completed financial year.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of Compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Mark Upsdell, President, CEO and Director	Options	Nil	N/A	N/A	N/A	N/A	Nil
Lino Fera, CFO <sup>(1)</sup>	Options	Nil	N/A	N/A	N/A	N/A	Nil
Jason Lewis, Senior VP Business Development and Director <sup>(2)</sup>	Options	Nil	N/A	N/A	N/A	N/A	Nil

Notes:

(1) Lino Fera was first appointed to be CFO of RDT on August 1, 2017.

(2) Jason Lewis was first elected to be a director of RDT on June 15, 2018.

### Stock option plans and other incentive plans

The Board of RDT has not approved a stock option plan.

As of the date of this Prospectus, no stock options have been awarded by RDT.

### Employment, consulting and management agreements

The directors manage or supervise the management of the business and affairs of RDT. The executive officers perform the day-to-day management functions of RDT. RDT has no written agreements with any of its officers or directors in respect of these functions. RDT has no written management agreements, consultant agreements or arrangements with any other persons to perform or provide any of these functions. Effective March 1, 2018, RDT entered into unwritten agreements with Mark Upsdell for his services as President and CEO on a month-to-month basis at a rate of \$10,000 per month terminable by either party on one month's notice, with Jason Lewis for his services as Senior Vice President on a month-to-month basis at a rate of \$8,000 per month terminable by either party

on one month's notice, and with Lino Fera for his services as Chief Financial Officer on a month-to-month basis at a rate of \$6,000 per month terminable by either party on one month's notice.

### **Director Fees**

Directors of RDT do not receive any compensation from RDT for their services as directors. The directors have agreed to forego these fees until RDT is in a position to make these payments. There currently are no additional fees for membership or chairpersonship on any committees.

### **Oversight and description of director and named executive officer compensation**

Given RDT's current size and stage of development, its Board has not appointed a compensation committee and, accordingly, its Board as a whole is responsible for determining the compensation (including long-term incentives in the form of stock options, stock appreciation rights, phantom stock option plan or other securities compensation plan, if, as and when any such compensation plan is adopted) to be granted to RDT's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation thereby providing any independent members of the RDT Board with considerable input as to executive compensation.

The RDT Board is expected to review, on an annual basis, the corporate goals and objectives relevant to executive compensation, evaluate each executive officer's performance in light of those goals and objectives and set the executive officer's compensation level based, in part, on this evaluation. The RDT Board is expected to take into consideration RDT's overall performance, shareholder returns, and the awards given to executive officers in past years. The RDT Board is also expected to consider the value of similar incentive awards to executive officers at comparable companies; however, as of the date of this Prospectus, no specific companies or selection criteria for the establishment of a benchmark group have been identified by the RDT Board.

### **Executive Compensation Program**

The compensation philosophy of RDT's Board is aimed at attracting and retaining quality and experienced people which is critical to RDT's success and may include a "pay-for-performance" element which supports RDT's commitment to delivering strong performance for its shareholders. RDT believes that adequate and appropriate compensation for its executive officers is key to ensuring the continuity of high quality management who will provide strong leadership and stewardship.

The RDT Board and, when constituted, its committees must also address the risks associated with the overall executive compensation program. The RDT Board is currently responsible, and its compensation committee or its audit committee, when constituted, will be responsible, for assessing the risks which may arise from RDT's compensation policies and practices and, as of the date of this Prospectus, they have completed an initial risk assessment with respect to base fees and incentive option grants and the risks they have identified are addressed under their respective headings. The committees intend to conduct a review and report to the RDT Board more fully on these risks and on ways to mitigate these risks as required.

Executive compensation is comprised of three elements: (i) base fees (which may be described as consulting fees) or salary, (ii) short-term incentive compensation (discretionary cash bonuses) and (iii) long-term incentive compensation (stock options).

At the present time, the compensation program is designed to reward the following objectives:

1. The ongoing day-to-day commitment of RDT's executive team in managing RDT's affairs, fulfilling their job responsibilities, and advancing its business plan through its development stage. This objective is covered by the base fees paid for the services of the three NEO's; see "*Employment, consulting and management agreements*" for further details; and

2. The commitment to long-term growth and increased shareholder value as determined through RDT's Share price. It is anticipated that this objective will, in the future following completion of the Transaction, be covered through the awarding of stock options under the Resulting Issuer's Stock Option Plan.

### **Base Fees and Discretionary Bonuses**

Base fees or salaries are compensation for ongoing job responsibilities and reflect the level of skills, experience, expertise, and capabilities demonstrated by the executive officers. Executive officers and the Board meet to determine what both sides consider to be fair and reasonable base fees. The Board must give final approval of these compensation arrangements. When considering the base compensation to be paid to executive officers, RDT's Board must consider the risk that, if the compensation is not adequate, it might result in a high turnover rate of executive officers which could be detrimental to RDT. As an early stage enterprise, however, it is necessary to strike a balance in this regard so that the compensation is not so high that RDT is unable to meet its obligations to its executive officers over the long term which could result in loss of that officer and the corporate knowledge and expertise that officer represents.

Executive officers are also eligible to receive discretionary bonuses as determined by the Board based on each officer's responsibilities, the achievement of individual and corporate objectives, and RDT's financial performance. Cash bonuses are intended to reward executive officers for meeting or exceeding individual and corporate performance objectives set by the Board. As at the date of this Prospectus, RDT has not paid out any such bonuses and has not set any objectives whereby its executive officers might earn such bonuses at this time. It is the expectation that RDT's Board will review this element of RDT's compensation program during the current fiscal year to determine the impact, including the benefits and risks that offering short-term incentives to its executives, would have on the overall performance of RDT and its management team.

### **Benefits and Perquisites**

In general, RDT intends to provide a specific benefit or perquisite when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. The limited perquisites RDT provides its executives may include a parking allowance or reimbursement for their out-of-pocket costs. Historical payments of such benefits and perquisites are set out, respectively, in the "*Table of Compensation*" above.

### **Performance Goals and Executive Team**

The executive team is comprised of Mark Upsdell, CEO, Lino Fera, CFO, and Jason Lewis, Senior Vice-President Business Development. Each member of the executive team is currently working on a month to month consulting basis.

As founder of the Company, Mark Upsdell was the first to be appointed to the position of CEO.

Lino Fera, CPA, was appointed CFO on August 1, 2017. Lino Fera is a consultant who provides approximately 100% of his time to his duties with RDT. As the CFO, Lino Fera is the executive responsible for overseeing the financial health of RDT through financial and risk management, the development of a financial and operational strategy, and the ongoing monitoring of systems designed to preserve RDT's assets and report accurate financial results.

Jason Lewis, Senior Vice-President Business Development, was appointed on May 3 2017. He is responsible for new business development and sales.

### **Pension Plan Benefits**

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF RDT

Other than \$17,919 owed as of August 31, 2018 in respect of employee advances, no director, executive officer or employee of RDT or any of their respective associates or affiliates is currently indebted to RDT.

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE OF RDT

### Audit Committee

As a private issuer, RDT does not have an audit committee. The functions of an audit committee are performed by the RDT Board as a whole.

### Auditor's Fees

The fees billed by RDT's external auditor for the period from incorporation to February 28, 2018 are set out in the table below.

	Period Ended February 28, 2018 (\$)
Audit Fees	\$18,000
Audit-Related Fees	0
Tax Fees	0
All Other Fees	0

### Reliance on Certain Exemptions

Since May 3, 2017, RDT's date of incorporation, RDT has never been, and is currently not, a 'reporting issuer' and, accordingly, RDT is exempt from the requirements of NI 52-110.

### Corporate Governance

Corporate governance relates to the activities of RDT's Board, the members of which are elected by, and are accountable to, the shareholders, and takes into account the role of the individual members of management who are appointed by the RDT Board and who are charged with the day-to-day management of RDT. The RDT Board and senior management consider good corporate governance to be central to the effective and efficient operation of RDT. RDT's corporate governance practices are set forth below.

### Board of Directors

RDT currently has two directors, both of whom are not "independent" within the meaning ascribed to that term by the Canadian Securities Administrators in NI 52-110 in relation to Audit Committees. In that context, a director is independent if he or she has no direct or indirect material relationship with RDT. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Certain types of relationships are by their nature considered to be material relationships.

Mark Upsdell is not independent because he is the Chief Executive Officer of RDT and Jason Lewis is not independent because he is the Senior Vice President Business Development of RDT. As RDT is a "private issuer" and is not a "reporting issuer", RDT is not currently subject to the requirements of NI 52-110.

### Directorships

None of the directors of RDT are also directors of other issuers that are reporting issuers (or the equivalent).

### **Orientation and Continuing Education**

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

### **Ethical Business Conduct**

As RDT is in its formative and development stages, the RDT Board has not yet adopted a written code of business conduct and ethics for its directors, officers and employees. The RDT Board believes that the skill and knowledge of the RDT Board members and advice from counsel ensure that the directors of RDT exercise good judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

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

### **Nomination of Directors**

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

### **Compensation**

The RDT Board has not appointed a compensation committee.

### **Other Board Committees**

There are no committees of the RDT Board at this time.

### **Assessments**

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

## **RISK FACTORS FOR THE RDT BUSINESS**

The following risk factors are described on the assumption that the Transaction and the reverse take-over of the Company by the shareholders of RDT have been completed.

### **Risks Associated with RDT's Business**

RDT has not, until recently, generated any revenue since its inception on May 3, 2017. If the Amalgamation is completed in accordance with the terms of the Amalgamation Agreement, we expect to incur substantial and increasing losses for the foreseeable future as we develop and commercialize RDT's product delivery system and pursue other research and development activities for development of proprietary assets. If RDT's products are not successful in research and development or in clinical trials, do not gain regulatory approval or do not achieve market acceptance, we may never generate any significant revenue. We also cannot assure you that we will be profitable

even if we successfully commercialize RDT's products. If we fail to generate sufficient revenues to operate profitably, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

*RDT will require substantial additional funds to complete its research and development activities, and if such funds are not available we may need to significantly curtail or cease our operations.*

RDT will require funds to acquire, customize and market its thin-film production equipment, to produce its polymer formulations and other supplies for its customers, to research, develop, test and protect RDT's products, and to manufacture and market any such candidates that may be approved for commercial sale. If we do not raise sufficient funds as we develop RDT's business, our plan of operation will be delayed until such time as we raise sufficient funds, provided we are able to do so. Further, the cost of carrying out our operating activities and research and development activities is not fixed, and our cash levels may at any time prove to be insufficient to finance them. Our financing needs may change substantially because a number of factors which are difficult to predict or which may be outside of our control. These include increased competition, the cost of protecting rights to RDT's licensed and proprietary technology, the resources required to complete studies, and the length, cost and results of any necessary regulatory approval process for new products.

We may not succeed in raising the additional funds that we require because such funds may not be available to us on acceptable terms, if at all. We intend to seek additional funding through strategic alliances or through public or private sales of our equity securities, and we may also obtain equipment leases and pursue opportunities to obtain debt financing in the future. If we are unable to obtain sufficient funding on a timely basis, we may be forced to significantly curtail or cease our operations.

*Our inability to achieve market acceptance for RDT's QuickStrip™ oral thin-strips and its manufacturing equipment could have a material adverse effect on our results of operations, financial condition and cash flows.*

RDT is currently focused on the marketing of its licensed manufacturing equipment for oral thin-film strips under the QuickStrip™ brand. That market is dependent on oral thin-strips being embraced by consumers for a wide range of products including drugs, vitamins and personal use products. The ability to create consumer awareness of the benefits of RDT's delivery system and to turn that awareness into sales is critical to our financial success. If that awareness does not develop, if the manufacturers of the drugs, vitamins and personal use products favour other delivery systems, or if competitors market alternative similar delivery systems, RDT's sales may not develop in sufficient volumes or at all or in a timely way to make RDT's business profitable. Consumer acceptance of and demand for RDT's thin-film strips is critical to our success and there is no assurance of that acceptance or of that demand.

*RDT's inability to complete development projects in a timely manner could have a material adverse effect on our results of operations, financial condition and cash flows.*

If RDT's projects are not completed in a timely fashion, our Company could experience: substantial additional cost; additional competition; additional delay in obtaining any necessary regulatory approvals; and delay in obtaining future in-flow of cash from sales activities, any of which could have a material adverse effect of our results of operations, financial condition and cash flows.

Any products that RDT may develop may be required to undergo a time-consuming, costly and burdensome pre-market approval process and, if we are unable to obtain any necessary regulatory approvals for such products, we may never become profitable.

*We will rely on third parties. If these third parties do not perform as contractually required or otherwise expected we may not be able to obtain satisfactory sales levels for RDT's products, which may prevent us from becoming profitable.*

RDT's customers are responsible for marketing and advertising their products delivered using the QuickStrip™ thin-film strips as product delivery method. RDT is dependent on its customers' efforts in marketing, advertising and selling their own products, including efforts in directing consumers' choices between various alternative

delivery systems. RDT has no control over its customers' efforts in these regards. Although RDT's marketing strategy includes promoting consumer awareness of the availability and benefits of its QuickStrip™ oral thin-film strip delivery system, there is no assurance that such efforts will translate into consumer sales or into sale of RDT's equipment and services to its customers.

*If we are unable to establish a sales, marketing and distribution infrastructure or enter into collaborations with others to perform these functions, we may not be successful in commercializing RDT's product candidates.*

In order to successfully commercialize any of RDT's new product candidates, we must either develop a satisfactory sales, marketing and distribution infrastructure or enter into collaborations with third parties to perform these services for us. We will require substantial resources to create such an infrastructure, and we may never possess the resources to do so. For example, we may be unable to recruit and retain an adequate number of effective sales and marketing personnel or we may incur unforeseen costs and expenses in connection with developing the necessary infrastructure.

Although we plan to develop our own sales and marketing organizations in some markets, we may enter into partnering, co-promotion and other distribution arrangements to commercialize our products in other markets. We may not be able to enter into collaborations on acceptable terms, if at all, and we may face competition in our search for third parties with whom we may try to collaborate. If we are not able to build a satisfactory sales, marketing and distribution infrastructure or collaborate with one or more third parties to perform these functions, we may not be able to successfully commercialize RDT's products, which could cause us to cease our operations.

*RDT's products may never gain market acceptance, which could prevent us from generating revenues.*

The success of RDT's products will depend on their acceptance by consumers, among other things. Market acceptance of, and demand for, any product that we develop and commercialize will depend on many factors, including: our ability to provide acceptable evidence of safety and efficacy; our ability to obtain sufficient third-party insurance coverage or reimbursement; the availability, relative cost and relative efficacy of alternative and competing products; the effectiveness of our sales, marketing and distribution strategy; and publicity concerning our products or competing products.

If RDT's products fail to gain market acceptance, we may be unable to generate sufficient revenue to continue our business.

*RDT depends on other parties to manufacture certain nutraceutical products and to manufacture equipment and supplies used by RDT and its customers to produce consumer products using QuickStrip™ thin-film strips as a product delivery method.*

*RDT depends on other parties to manufacture, market and sell their products using RDT's QuickStrip™ thin-film strips as a product delivery method. If these parties fail to meet manufacturing requirements and applicable regulatory requirements or fail to successfully market their own products, our commercialization efforts could suffer and we may never realize a profit.*

RDT's strategy is to rely on contract manufacturers to supply nutraceuticals for RDT to sell and to supply the processing equipment used for manufacturing consumer products, in each case using RDT's QuickStrip™ thin-film strips as a product delivery method. RDT currently outsources the manufacture of QuickStrip™ thin-film strips for certain nutraceuticals and sells its products to organizations and to retailers in Canada and in the United States. RDT also customizes processing equipment and supplies the customized equipment to RDT's customers for those customers to manufacture, market and sell their products using QuickStrip™ thin-film strips.

Because of such reliance on contract manufacturers, RDT may also be exposed to additional risks, including those related to intellectual property and the failure of such manufacturers to comply with strictly-enforced regulatory requirements, manufacture components to our specifications, or deliver sufficient component quantities to us in a timely manner. If these contract manufacturers fail to meet manufacturing requirements, get acquired by RDT's competitors or otherwise go out of business, RDT's ability to obtain its supply of nutraceuticals or other supplies for

its own or its customers' operations or to obtain such equipment for its its customers' use could become limited or non-existent and RDT not be able to develop, expand or maintain its business.

As well, a contract manufacturer working on behalf of RDT may violate the intellectual property rights of a third party in manufacturing a component of one of RDT's products and, even if such a violation occurs without our knowledge, RDT may be held vicariously liable for the acts of its contractor, incur related costs and court mandated damages, or become enjoined from selling products which violate those third-party intellectual property rights. Similarly, if a contract manufacturer working on behalf of RDT is found to be in violation of regulatory standards regarding the manufacture, packaging or labeling of any of RDT's products using equipment or supplies provided by RDT, RDT could face any number of adverse consequences including costly regulatory investigations and fines, interruptions in the flow of its products or materials, product recalls, or liability to consumers regarding any products that do not meet such regulatory requirements. If any of these events occurs, if RDT's relationship with any of its potential contract manufacturers terminates, or if any such manufacturer is unable fulfill its obligations to RDT or its requirements of them for any reason, or if any of RDT's customers experiences product quality problems with regulators or consumers, RDT's product development and commercialization efforts could suffer and RDT may never realize a profit.

*RDT faces substantial competition in the therapeutic pharmaceutical industry, which could harm its business and its ability to operate profitably.*

RDT's industry is highly competitive, and many of RDT's potential competitors, either alone or together with their partners, have substantially greater financial resources, research and development programs, regulatory experience, expertise in the protection of intellectual property rights, and manufacturing, distribution and sales and marketing capabilities than RDT. As a result, RDT's competitors may be able to:

- develop and market products that are faster to market and thus less expensive, potentially safer, and/or more effective or involve more convenient treatment procedures than RDT's products;
- commercialize competing products before RDT can launch RDT's products;
- initiate or withstand substantial price competition more successfully than RDT;
- enjoy greater success in recruiting skilled workers from a limited pool of available talent; and
- more effectively negotiate third-party licenses and strategic alliances.

*All of RDT's products and processes will be subject to ongoing regulatory requirements, and may therefore be the subject of regulatory or enforcement action. The associated costs could prevent RDT from achieving its goals or becoming profitable.*

RDT's products, third-party manufacturing facilities and processes and advertising and promotional activities will be subject to significant review and ongoing and changing regulation by various regulatory agencies. Failure to comply with any regulatory requirements may subject RDT to administrative and judicial sanctions, which may include warning letters, civil and criminal penalties, injunctions, product seizures or detention, product recalls, total or partial suspension of production, or the denial of pending product marketing applications.

In addition, regulatory or enforcement actions could adversely affect RDT's ability to develop, market and sell its products successfully and harm our reputation, which could lead to reduced market demand for such products. Consequently, the costs associated with any such action could cause RDT's business to suffer and prevent RDT from achieving its goals or becoming profitable.

Similarly, RDT's customers' failure to comply with any regulatory requirements applicable to their products which use the QuickStrip™ product delivery method may not only subject those customers to administrative and judicial sanctions (which may include civil and criminal penalties, injunctions, product seizures or detention, product recalls, total or partial suspension of production) but such events may also subject RDT or its products to similar



administrative and judicial sanction or to adverse publicity. Such events could adversely affect RDT's reputation and goodwill in the marketplace and could result in serious economic consequences to RDT which could prevent RDT from achieving its goals or from becoming profitable.

*Not all jurisdictions allow for the medicinal and recreational use of cannabis and those jurisdictions which allow it could reverse their position.*

Certain jurisdictions currently allow the medicinal use of cannabis. Many other jurisdictions do not – in such jurisdictions, it remains illegal. There can be no assurance that additional jurisdictions will allow the medicinal use of cannabis or that those jurisdictions which currently allow it will continue to do so. If either of these events occur, then not only will RDT's growth prospects in this field be materially impacted, RDT may experience a declining market for its products.

Moreover, although recreational use of cannabis has recently become legal in Canada, it remains illegal under federal law in the United States. A growing number of states in the United States have legalized the medicinal use of cannabis and, as well, many of them have legalized the recreational use of cannabis. However, there is currently no indication that federal law in the United States will legalize cannabis for any use at any time in the future. Accordingly, any cross-border (country to country or state to state) transportation of or commerce involving cannabis, as well as other aspects of possession and use of cannabis, remain illegal under the United States federal law. Although the equipment and other supplies provided by RDT or its subsidiary to their customers can be used for pharmaceuticals and nutraceuticals, they can also be used for cannabis products. Accordingly, the shipping of such equipment and supplies across borders (state to state and country to country) poses a risk to RDT and its subsidiary that such shipments, if for use in the cannabis industry, could be challenged by United States federal authorities and could result in civil and criminal penalties, injunctions, product seizures or detention, any of which could prevent RDT from achieving its goals, from meeting its contractual commitments, from becoming profitable or from continuing its business in some or all of the United States. Similarly, financial transactions involving proceeds generated by marijuana-related conduct or money derived from marijuana-related conduct can form the basis for prosecution under United States federal money-laundering statutes, unlicensed money transmitter statutes and certain banking laws in the United States. The status and enforcement of federal law in the United States prohibiting both the medical use and the recreational use of cannabis presents significant risks to the conduct and growth of that part of RDT's business which is in the United States. The United States Department of Justice ("DOJ") has recently published guidance on marijuana-related crimes under federal legislation in face of state laws that permit, to varying degrees, the cultivation, possession and use of marijuana for medicinal and/or recreational purposes. The DOJ has stated that it is committed to enforcement of the Controlled Substances Act but intends to focus those efforts to (i) prevent distribution to minors, (ii) prevent revenues going to criminal enterprises, (iii) prevent diversion from states where marijuana is legal to those where it is not, (iv) prevent legal marijuana activities being used as a cover for trafficking in other illegal drugs, (v) prevent violence and use of firearms in connection with marijuana activities, (vi) prevent drugged driving, (vii) prevent growing marijuana on public lands and (viii) prevent possession or use on federal property. The DOJ has added that, to the extent that states implement strong and effective regulatory and enforcement systems to address threats posed to public safety, public health and other enforcement interests, federal enforcement interests may be allayed. The DOJ has stated that federal enforcement will be assessed on a case by case basis and that, even in states with strong and effective regulatory systems, federal prosecutors may undertake federal enforcement action. Moreover, the DOJ has noted that its policies and guidances may change at any time. Accordingly, there is no assurance that RDT's business activities may not become subject to civil and criminal penalties, injunctions, product seizures or detention, or subject to prosecution under United States federal money-laundering statutes, unlicensed money transmitter statutes and certain banking laws in the United States any of which could prevent RDT from achieving its goals, from meeting its contractual commitments, from receiving its revenues from its customers in the United States, from becoming profitable or from continuing its business in some or all of the United States.

*RDT's ancillary involvement in the cannabis industry in the U.S.*

RDT does not engage directly in any U.S. marijuana-related activities as defined in Canadian Securities Administrators Staff Notice 51-352, although it has ancillary involvement in U.S. marijuana-related activities. While RDT will be licensing its intellectual property, technology and equipment to U.S.-based companies that may themselves participate in manufacture, production and sale of cannabis products in designated states and territories

in the United States, these relationships are licensing relationships that license intellectual property developed in Canada for use by licensees in the United States. RDT requires that its U.S. contracting counterparts are in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state at the time the contracts are entered into. However, while RDT believes that by using this business model it is not directly engaged in any US activities respecting cannabis, there is no assurance that United States federal or state authorities will agree with RDT's interpretation of its involvement in the cannabis industry and, if they do not, RDT or its subsidiary may be required to obtain applicable state licenses in those states where RDT's equipment is situated and being used or RDT and/or its subsidiary may be subjected to civil and criminal penalties, injunctions, product seizures, total or partial suspension of production and fines. Such events could prevent RDT from achieving its goals, from becoming profitable, from receiving U.S. revenues or from continuing its business in those jurisdictions.

### **Risks Related to RDT's Intellectual Property**

*RDT faces potential intellectual property and commercial litigation exposure, and any claim brought against RDT may cause it to divert resources from its normal operations or terminate selling, distributing and marketing any product. This may cause RDT to cease its operations as those operations relate to that product, those intellectual property rights or entirely.*

New technologies, especially in highly competitive and emerging markets, are often fraught with competing claims regarding the first inventor or creator and the infringement of a third party's rights. The pharmaceutical industry is well known for such competing claims and, as a result, for extensive, time-consuming and expensive litigation. Such litigation is often based on infringement of intellectual property rights or misuse of confidential information. RDT is at risk of being the object of such claims and, accordingly, is exposed to the risks of such intellectual property litigation and other commercial litigation. Any licensing of RDT's technology or sale of RDT's products may expose RDT to liability claims from consumers, competitors, pharmaceutical companies or other entities. Although RDT plans to obtain product liability insurance coverage with limits that RDT hopes will be customary and adequate to provide RDT with coverage for foreseeable risks associated with its product development efforts, such insurance coverage may not be available or may be insufficient to reimburse RDT for the actual expenses or losses it may suffer and from negative publicity. This could result in decreased demand for RST's products, the withdrawal of its products or services from the market, an impaired business reputation, revenue loss or an inability to commercialize its products. Any of these consequences could cause RST to cease operations.

RDT is currently the defendant in one such lawsuit – the CTT Claim. CTT claims that RDT used confidential information provided by CTT relating to oral thin-film technology, breached obligations of confidence and interfered with CTT's economic interests. CTT is seeking an interim and a permanent injunction restraining RDT from using or disclosing confidential information and from selling its QuickStrip™ or any other oral thin-film wafer of medicine. CTT is also seeking damages in excess of \$50,000, an accounting and other relief. Although RDT has filed a defence and intends to defend itself vigorously, there is no assurance that its defence will be successful. If RDT's defence is not successful, RDT could suffer damages and/or could be subjected to an injunction, either of which could cause RDT to cease operations.

To date, RDT has filed two motions – for Security for Costs and for Summary Judgment. RDT was served by CTT with responding materials to both motions on or about November 29, 2018. RDT's motions for Security for Costs is scheduled to be heard on December 13, 2018 and the motion for Summary Judgment is scheduled to be heard on March 1, 2019.

*If RDT is unable to maintain and enforce RDT's intellectual property rights, RDT may not be able to operate profitably.*

RDT commercial success will depend, in part, in obtaining and maintaining patent protection for RDT's licensed technology, trade mark registrations for QuickStrip™, trade secret protection and regulatory protection as well as successfully defending third-party challenges to such technologies and intellectual property rights. RDT will be able to protect RDT's technologies and intellectual property rights from use by third parties only to the extent that valid and enforceable patents, trademarks, trade secrets or regulatory protection cover them and RDT has exclusive rights to use them. The ability of RDT's licensors to maintain patent rights against third-party challenges to their validity, scope or enforceability will also play an important role in determining RDT's future.

Since RDT will not fully control the patent prosecution of any of the patent applications for products which RDT licenses from licensors, it is possible that RDT's licensors will not devote the same resources or attention to the prosecution of the licensed patent applications as RDT would if RDT controlled the prosecution of the applications. Consequently, the resulting patent protection, if any, may not be as strong or comprehensive as it would be had RDT done so.

The patent positions of biopharmaceutical companies can be highly uncertain and involve complex legal and factual questions that include unresolved principles and issues. No consistent policy regarding the breadth of claims allowed regarding such companies' patents has emerged to date in Canada or the United States, and the patent situation outside Canada and the United States is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in Canada or the United States or in other countries may diminish the value of our intellectual property. Accordingly, we cannot predict with any certainty the range of claims that may be allowed or enforced concerning any patents which RDT develops or third-party patents which RDT licenses from third parties.

RDT may also rely on trade secrets to protect RDT's technologies, especially where RDT does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. While RDT will seek to continue to protect confidential information, in part through confidentiality agreements with RDT's consultants and scientific and other advisors, they may unintentionally or willfully disclose RDT's information to the public or to competitors. Enforcing a claim against a third party related to the illegal acquisition and use of trade secrets can be expensive and time consuming, and the outcome is often unpredictable.

If RDT is not able to maintain patent or trade secret protection on RDT's technologies, then RDT may not be able to exclude competitors from developing or marketing competing products, and RDT may not be able to operate profitably.

RDT will also rely on trade marks to identify and market RDT's products. The validity and value of trademarks depend on successfully securing such trade mark rights by registration and by diligently defending such rights from third parties using the same or similar marks. There is no assurance that RDT's trade mark applications in Canada or the United States for its trade marks for QuickStrip™ will be successful or, if successful, that RDT will be able to identify any third parties' usage of the same or similar marks to an extent that such trade mark rights could be lost. Registration of trade mark rights occurs on a country by country basis and RDT has not as yet applied for registration in any countries other than Canada and the United States and, accordingly, RDT's business expansion opportunities into other countries using those trademarks may be limited or even prohibited if other third parties proceed with prior registration applications in those other countries.

*If RDT is the subject of an intellectual property infringement claim, the cost of participating in any such litigation could cause RDT to go out of business.*

There has been, and RDT believes that there will continue to be, significant litigation in RDT's industry regarding patent and other intellectual property rights. Although we anticipate having a valid defense to any allegation that RDT's activities infringe the valid and enforceable intellectual property rights of any third parties, CTT has already commenced litigation against RDT claiming that RDT used CTT's confidential information to develop RDT's technology and intellectual property and RDT cannot be certain that a third party will not challenge its position in the future or that CTT will not expand its allegations and claims against RDT. Other parties may own patent rights that RDT might infringe, and RDT's competitors or other patent holders may assert that RDT's products and the methods RDT employs are covered by, their patents. Those parties could bring claims against RDT that would cause it to incur substantial litigation expenses and, if successful, may require RDT to pay substantial damages. Some of RDT's potential competitors may be better able to sustain the costs of complex patent litigation and, depending on the circumstances, RDT could be forced to stop or delay our manufacturing or sales activities. Any of these costs could cause RDT to go out of business.

*RDT may in the future be required to license patent or other intellectual property rights from third-party owners in order to develop RDT's products. If RDT cannot obtain those licenses or if third-party owners do not properly maintain or enforce the patents underlying such licenses, RDT may not be able to market, sell or license its products.*

RDT has licensed copyright-protected and/or patent-protected technologies and RDT may also license other intellectual property from other third parties, if RDT believes that it is necessary or useful to use additional third-party intellectual property. RDT will be required to pay license fees or royalties or both to obtain such licenses, and there is no guarantee that such licenses will be available on acceptable terms, if at all. Even if RDT is able to successfully obtain a license, certain rights may be non-exclusive or co-exclusive, and this would give its competitors access to some of the same intellectual property, which could ultimately prevent RDT from commercializing a product or could result in significant losses from any attempts at commercialization.

Upon obtaining a license, RDT's business prospects will depend, in part, on the ability of its licensors to obtain, maintain and enforce patent protection on RDT's licensed intellectual property. RDT's licensors may terminate such licenses, may not pursue and successfully prosecute any potential patent infringement claim, may fail to maintain their patent applications, or may pursue any litigation less aggressively than RDT would. Without protection for the intellectual property that RDT licenses, other companies may be able to offer substantially similar products for sale, and RDT may not be able to market or sell its planned products or generate any revenues.

### **Regulatory Approvals**

*Some of RDT's business activities require governmental approvals, the timing and certainty of which are uncertain.*

The QuickStrip™ as a drug delivery system (referred to in the regulations as the “dosage form”) is not subject to pre-market approval by Health Canada under the *Cannabis Act* (S.C. 2018, c. 16) at this time. The “pharmaceutical form” or “dosage form” are the terms used commonly in the pharma industry. Both refer to the form of presentation in which the product is supplied, for example, tablet, capsule, powder, etc. In this case, the QuickStrip™ would be used rather than a capsule or tablet. The dosage form is part of the pre-market licensing review process and it is typically the responsibility of the party seeking to introduce the therapeutic product to the marketplace to obtain the requisite approval. Review and approval of the QuickStrip™ as a drug delivery system would normally be part of the process validation that would be completed prior to the distribution of a therapeutic product.

Approval of cannabis related therapeutic products would be the responsibility of the party making the submission to Health Canada for pre-market approval of the proposed product, including its dosage form and delivery format. The manufacturer of a cannabis product could, for example, enter one of the formal drug approval processes, such as prescription or over the counter drugs (DINs/NPNs). RDT is not a manufacturer of cannabis products; however, currently RDT has three agreements with Licensed Producers, one of which is for production in Canada. RDT's agreements with its Licensed Producers in Canada, require such Licensed Producers to obtain and maintain all approvals required by law.

While at present there is no unique review process for the delivery system of cannabis as a drug, the Cannabis Regulations do make reference to “discrete units” of a cannabis product as a delivery method. Such discrete units must meet requirements of a dissolution or a disintegration test that is applicable to its formulation as set out under the *Food and Drugs Act* and Regulations.

It is the responsibility of Licensed Producers to sell cannabis products in accordance with the *Cannabis Act* and Regulations and the *Food and Drugs Act* and its Regulations.

There is no assurance, at this time, that an application by any Licensed Producer which RDT may secure as customers will result in an approval of the oral thin-film strip as an allowable dosage form for a therapeutic product under the *Food and Drugs Act* and Regulations and/or the *Cannabis Act*.

The QuickStrip™ may also have application to non-therapeutic cannabis products in the future. Under the *Cannabis Act* certain classes of cannabis products, such as edibles and concentrates, are currently prohibited from sale, but it is contemplated under the *Cannabis Act* that such sale will be permitted in the future. It is uncertain when, if ever, that will occur and, if it does, on what terms and conditions.

## **Regulatory Risks, Changes in Laws**

*RDT's cannabis business vertical is subject to conflicting and changing laws and governmental regulations.*

RDT's cannabis producer customers are subject to a variety of laws, regulations and guidelines relating to the manufacture of cannabis and cannabis-related products as well as laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

Changes to such laws, regulations and guidelines due to matters beyond the control of RDT may cause adverse effects to RDT's Canadian operations with its Canadian licensed cannabis producer customers.

## **Uncertainty Regarding Penetration of the Target Market**

*Acceptance of RDT's targeted customers and consumers is uncertain.*

The commercial success of the business of RDT to be acquired by ACME pursuant to the Amalgamation Agreement, as compared with RDT's competitors, depends on the acceptance by RDT's potential clients or customers in the respective industries or sectors. Market acceptance will largely depend on reputation, marketing strategy, services and performance. The success of ACME in its role as the Resulting Issuer following completion of the Transaction will depend on the ability to commercialize RDT's products and services and to expand its network of clients and market share. The Resulting Issuer will need to expand RDT's marketing and sales operations and establish business relations with other professional services providers and clients in a timely manner.

In order to meet its business objectives following completion of the Transaction, the Resulting Issuer will have to ensure that RDT's services are professional, reliable and cost-effective, and bring the expected return. There can be no assurance that, following successful completion of the Amalgamation, the business and services of the Resulting Issuer will be accepted by consumers or RDT's targeted customers.

## **Competition**

*RDT's business sectors are very competitive.*

In the event the Transaction is completed, the Resulting Issuer will be conducting business in the biotechnology, product innovation, pharmaceutical and healthcare industries which are very competitive. Others in the field may have significantly more financial, technical, distribution and marketing resources. Technological progress and product innovation and development may cause RDT's services and product offerings to become obsolete or may reduce their market preference or acceptance.

There is potential that RDT will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than RDT. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of RDT.

## **Operating History and Expected Losses**

*Operating losses are anticipated to continue.*

RDT expects to make investments in order to develop RDT's services and products, increase marketing efforts, and improve operations. As a result, start-up and development operating losses are expected to continue and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of RDT.

## **Growth Management**

*Growth management has risks.*

In executing the business plan of ACME for the future in its role as the Resulting Issuer, there will be significant pressure on management, operations, and technical resources. ACME anticipates that in its role as the Resulting Issuer its operating and personnel costs will increase in the future. In order to manage their growth, the Resulting Issuer will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties. There is no assurance that the Resulting Issuer will be able to execute its business plan successfully or at all.

### **Reliance on Joint Ventures, License Assignors and Other Parties**

*RDT may be relying on third parties.*

The nature of the operations of RDT require it to enter into various agreements with partners, joint venture partners, other businesses partners, equipment suppliers, government agencies, licensors, licensees, and other parties for the successful operation of their businesses and the successful marketing of their services.

There is no guarantee that those with whom RDT may need to deal will not adopt other services providers or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including RDT's competitors in preference to those of RDT.

*RDT may be unable to successfully achieve the objectives of its strategic alliances.*

RDT may enter into strategic alliances with third parties that we believe will complement or augment RDT's existing business. RDT's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance RDT's business, and may involve risks that could adversely affect RDT, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the existing strategic alliances will continue to achieve, the expected benefits to RDT's business or that we will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing risks and uncertainties could have a material adverse effect on the business, financial condition and results of RDT's operations.

*The medical cannabis growing operations of RDT's cannabis grower customers are subject to risks inherent in an agricultural business.*

The business of RDT's cannabis grower customers involves the growing of medical cannabis, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although many of the cannabis grower customers operations grow their products indoors under climate-controlled conditions, the products grow in a greenhouse environment and while all growing conditions are carefully monitored with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of their products which could have a material adverse impact on RDT's future business prospects.

*RDT will be reliant on third parties to transport its products to its customers.*

Due to RDT's direct to client shipping model, RDT depends on fast and efficient courier services to deliver its supplies to its customers. Any prolonged disruption of this courier service could have an adverse effect on RDT's financial condition and results of operations. Rising costs associated with the courier services which RDT uses to deliver its supplies to its customers may also adversely impact its business and ability to operate profitably.

### **Government Regulation**

*Government regulation is always changing.*

Although RDT believes that all of its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development, marketing or commercialization. The Canadian federal legislation, the *Cannabis Act* and its Regulations, the *Food and Drugs Act* and its Regulations, the *Criminal Code* and other statutes, create a strict legal framework for controlling the production, distribution, sale and possession of cannabis across Canada. Amendments to current laws and regulations governing the production of cannabis, *inter alia*, came into legislative force in October 2018. Additional amendments are possible at any time and from time to time. Amendments to current laws and regulations governing the production of cannabis, tax law and securities law or more stringent implementation thereof could have a substantial adverse impact on RDT and the Resulting Issuer.

### **PROMOTER OF RDT**

Mark Upsdell is the promoter of RDT as that term is defined in the *Securities Act* (Ontario). Mr. Upsdell is the founder of RDT and beneficially owns 11,786,390 common shares of RDT which were received for his services as President and CEO of RDT. Effective March 1, 2018, Mr. Upsdell entered into an unwritten agreement with RDT to receive \$10,000 per month for his services as President and CEO on a month-to-month basis terminable by either party on one month's notice. Mr. Upsdell has not received anything of value from RDT and has no entitlement to receive anything of value except as set forth in this Prospectus.

See "*Executive Compensation*", "*Principal Shareholders*", "*Directors and Executive Officers*", "*Interests of Management and Others in Material Transactions*", and "*Material Contracts*" in "*Part Two – RDT*" and "*Part Three – The Resulting Issuer*" of this Prospectus for additional disclosure concerning the promoter.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS AGAINST RDT**

There are no material pending legal proceedings or regulatory actions to which RDT is, or, to the knowledge of management of the Company, is likely to be, a party, with the exception of a Statement of Claim issued in the Ontario Superior Court of Justice by CTT and served on RDT on or about September 27, 2018, claiming that RDT used confidential information provided by CTT relating to oral thin film technology, breached obligations of confidence and interfered with CTT's economic interests (the "**CTT Claim**"). The CTT Claim seeks an interim and a permanent injunction restraining RDT from using or disclosing confidential information and from selling its QuickStrip™ or any other oral thin film wafer of medicine. CTT is also seeking damages in excess of \$50,000, an accounting and other relief. RDT believes that the claim is not material and is without merit. RDT has filed a Statement of Defence and intends to defend itself vigorously against CTT.

### **INTEREST OF RDT'S MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS WITH RDT**

Except as described in this Prospectus, no Insider of RDT or associate or affiliate of an Insider of RDT has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect RDT.

### **MATERIAL CONTRACTS**

RDT has not entered into any contracts material to investors in the Common Shares since RDT's incorporation on May 3, 2017, other than the following:

#### **Amalgamation Agreement**

For a description of the Amalgamation Agreement, see "*Amalgamation – Reverse Take-Over of the Company*" above and, for a complete copy of the Amalgamation Agreement, see Appendix C attached hereto or see the Company's profile at [www.sedar.com](http://www.sedar.com).

## **Corporate Finance Services Agreement**

RDT entered into an agreement (the “**Corporate Finance Services Agreement**”) with Gambier Holdings Corp. (“**Gambier**”) dated November 30, 2017 engaging Gambier to provide merger and acquisition services. RDT agreed to pay to Gambier fees equal to (i) a retainer fee equal to 7% of the number of RDT Shares issued and outstanding on the date of the Corporate Finance Services Agreement, (ii) a cash finder’s fee equal to 7% of the proceeds of any equity financing completed by RDT with investors introduced by Gambier, and (iii) an M&A fee equal to 7% of the number of Exchange Shares to be issued on completion of a reverse take-over transaction less any such Exchange Shares issued on a private placement in respect of which Gambier received a finder’s fee or its retainer fee. On successful completion of the Transaction, the Resulting Issuer is expected to issue approximately 4,907,517 Common Shares to Gambier. Gambier is an “accredited investor” within the meaning of applicable securities legislation. The securities issued to Gambier will be issued subject to a regulatory “hold period” restricting Gambier from selling or otherwise trading such securities until four months plus one day after the date of issuance.

## **Distributor Agreement**

On November 15, 2017, RDT entered into a distribution agreement with HED International Inc., situated in Ringoes, New Jersey, USA, an equipment manufacturer, providing RDT with the exclusive right to supply the manufacturer’s oral dissolvable thin-film production equipment to the Canadian cannabis sector. RDT may also supply the manufacturer’s oral dissolvable thin-film production equipment to other sectors in Canada and to other markets but does not have any exclusive rights in those other sectors or markets.

## **Media Services Agreement**

On January 26, 2018, RDT entered into a media services agreement with Market One Media Group Inc. (“**MMG**”) to provide a public and media public relations campaign and content services on broadcast television, online and across a broad spectrum of business and social networks (“**Media Services Agreement**”). The fees for the services are \$140,000 plus taxes. The services commenced on January 26, 2018 of the Agreement for a one-year term.

## **Research Support Agreement**

RDT entered into an agreement (the “**Research Support Agreement**”), effective March 1, 2018, with the McMaster University Chemistry Faculty to provide academic research support for RDT’s technical testing of the materials, processes and the chemistry of oral dissolvable thin-films. The university has completed this research project. All intellectual property conceived, developed or first reduced to practice by the university in the performance of the research project being undertaken by the university pursuant to the terms of the Research Support Agreement will remain with RDT. The university will have a royalty-free license to use such intellectual property for research and educational purposes.

## **Managed Strip Services Agreements**

**Chemesis:** RDT’s United States subsidiary, RDT Therapeutics Inc. (“**RDT-US**”), signed a five-year, renewable Managed Strip Services Agreement with an effective date of October 11, 2018 with Chemesis International Inc. (“**Chemesis**”), a licensed producer and manufacturer of medicinal and recreational cannabis in California. Pursuant to the agreement, Chemesis was granted a license to use RDT’s “QuickStrip™” trademarks and other intellectual property in connection with cannabis products produced by Chemesis at its manufacturing facility in Cathedral City, California and sold within the state of California. Under the terms of the Managed Strip Services Agreement, RDT-US will provide Chemesis with production equipment to be operated by Chemesis in California and licensing rights to RDT’s technologies and RDT-US will also provide periodic deliveries of certain proprietary formulations and other supplies to enable Chemesis to produce, distribute and sell its cannabis products in California using RDT’s QuickStrip™ product delivery method. Under the terms of the agreement, Chemesis is required to hold and maintain all necessary governmental authorizations, permits, licenses, orders, qualifications and other requirements of federal, state and municipal laws and other regulatory requirements and to operate in compliance with them. Chemesis will pay RDT-US certain service fees – both lump-sum initiating fees and periodic fees based on sales of Chemesis’s products produced by Chemesis using RDT’s QuickStrip™ product delivery technology.



RDT-US also signed a Managed Strip Services Agreement with an effective date of October 18, 2018 with Chemesis for products to be sold in the territory of Puerto Rico on terms similar to the terms of its Managed Strip Services Agreement with Chemesis for the state of California.

**Aphria:** RDT's signed a five-year, renewable Managed Strip Services Agreement with an effective date of November 1, 2018 with Aphria, a leading global cannabis company headquartered in Leamington, Ontario. Pursuant to the agreement, Aphria was granted preferred rights to produce, distribute and sell QuickStrip™ products for the cannabis markets in Canada using QuickStrip™ trademarks and technology. Under the agreement, Aphria will have the ability to extend the agreement to enable it to bring products developed using RDT's QuickStrip™ technology to international markets where Aphria operates currently and in the future. Under the terms of the Managed Strip Services Agreement, RDT will provide Aphria with production equipment to be operated by Aphria in Canada and licensing rights to RDT's technologies and RDT will also provide periodic deliveries of certain proprietary formulations and other supplies to enable Aphria to produce, distribute and sell its cannabis products using RDT's QuickStrip™ product delivery method. Under the terms of the agreement, Aphria is required to hold and maintain all necessary governmental authorizations, permits, licenses, orders, qualifications and other requirements of federal, provincial, state and municipal laws and other regulatory requirements and to operate in compliance with them. Aphria will pay RDT certain service fees – both lump-sum initiating fees and periodic fees based on sales of Aphria's products produced by Aphria using RDT's QuickStrip™ product delivery technology.

### **RDT'S EXPERTS**

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this Prospectus as having prepared or certified a part of this Prospectus, or a report, valuation, statement or opinion described in this Prospectus, has received or shall receive a direct or indirect interest in any securities or other property of RDT or any associate or affiliate of RDT.

MNP LLP, RDT's auditor, has confirmed that it is independent of RDT within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

### **RDT'S CONSOLIDATED FINANCIAL STATEMENTS, MD&A AND PRO FORMA FINANCIAL STATEMENTS**

The following RDT consolidated financial statements are attached as Appendix D to this Prospectus, RDT's management's discussion and analysis for the corresponding period is attached as Appendix E to this Prospectus and the Pro Forma Financial Statements are attached as Appendix G to this Prospectus:

- Audited consolidated financial statements as at and from the date of incorporation of May 3, 2017 to February 28, 2018 and unaudited interim consolidated financial statements for the 3 months and 6 months ended August 31, 2018 and 2017;
- Management's discussion and analysis from the date of incorporation of May 3, 2017 to February 28, 2018 and for the 6 months ended August 31, 2018; and
- Pro Forma Financial Statements as at August 31, 2018.

## PART THREE – THE RESULTING ISSUER

### THE RESULTING ISSUER (POST-AMALGAMATION) - OVERVIEW

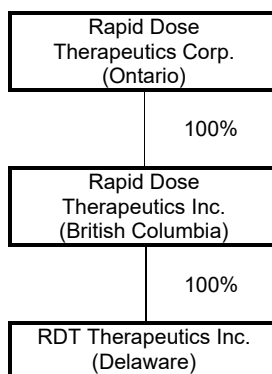
On completion of the Amalgamation, the former RDT Shareholders will own approximately 86% of the Resulting Issuer and the former ACME shareholders will own approximately 7% of the Resulting Issuer. Amalco (to continue with the name “Rapid Dose Therapeutics Inc.”), the combined company resulting from the Amalgamation between RDT and Subco, will be a wholly-owned subsidiary of the Resulting Issuer. See the diagram under “*Corporate Structure of the Resulting Issuer and Subsidiaries*” below.

Following the Amalgamation, the Resulting Issuer will continue to be a reporting issuer in the Provinces of Ontario, Alberta and British Columbia. ACME is currently seeking to have the Resulting Issuer Shares listed and posted for trading on the CSE; an application has been made to list the Resulting Issuer’s shares on the CSE and the Company has received conditional approval for the Listing. However, there is no guarantee that such Listing will be completed.

The business and operations of the Resulting Issuer will be supervised by a reconstituted board of directors and a reconstituted management team, as discussed below under “*Directors, Executive Officers and Principal Shareholders of the Resulting Issuer*”.

### CORPORATE STRUCTURE OF THE RESULTING ISSUER AND SUBSIDIARIES

The following chart shows the corporate relationship of the Resulting Issuer and its subsidiary, Amalco, as well as its US subsidiary, and the governing jurisdiction of each such corporation, immediately following completion of the Amalgamation.



### DESCRIPTION OF THE BUSINESS OF THE RESULTING ISSUER

Following the Amalgamation, the Resulting Issuer will, through the operations of Amalco, be indirectly engaged in the business of developing and providing proprietary oral and non-invasive drug delivery technologies designed for applications in the nutraceutical, cannabis and pharmaceutical businesses, which has been the primary activity of RDT since its incorporation. The Resulting Issuer will continue to own all of the properties, assets and rights and will be liable for all the liabilities and obligations of ACME as constituted immediately prior to the Effective Time. In addition, the Resulting Issuer will, through Amalco, indirectly own all of the properties, assets and rights of RDT and Amalco will be liable for all of the liabilities and obligations of RDT outstanding immediately prior to the Effective Time. Through Amalco and RDT-US, the Resulting Issuer will continue to carry on RDT’s business.

See Part Two under “*Description of the Business of RDT*” for a more detailed discussion of the business of RDT.

## Total Available Funds

ACME had net working capital of approximately \$385,885 as of June 30, 2018. RDT had working capital of approximately \$6,286,451 as of August 31, 2018. Accordingly, as at August 31, 2018, the Resulting Issuer had working capital (after deducting the estimated costs of the Transaction (including the estimated costs of this Prospectus) of \$300,000 but before deducting ongoing operating expenses of RDT) of approximately \$6,372,336.

As of August 31, 2018, RDT had a cash balance of \$6,036,670 compared to \$326,267 at the prior year-end of February 28, 2018. The increase in cash was a result of private placement financings producing gross proceeds of \$7,055,500. As of August 31, 2018, RDT had other current assets of \$304,513. Accrued liabilities of RDT at the end of the second quarter ended August 31, 2018 were \$54,732, compared to \$139,830 at the prior year-end of February 28, 2018, as a result of the payment of accounts payable from the increase in available cash resulting from RDT's private placement financings. As at November 30, 2018, RDT and its subsidiary had a combined cash balance of \$4,169,460.

## Objectives and Estimated Expenditures of the Resulting Issuer in 2018 and 2019

In the remaining months of 2018 and into 2019, it is expected that the Resulting Issuer will pursue the development of RDT's business. Assuming that the Reverse Take-Over is completed, in June 2018 it was expected that the Resulting Issuer's monthly expenses would be approximately \$74,000 per month as described in the table set out below. Accordingly, over the twelve-month period from July 1, 2018 to June 30, 2019, the Company expected to expend an aggregate of approximately \$888,000 and over the 18-month period from July 1, 2018 to December 31, 2019, the Company expected to expend an aggregate of approximately \$1,332,000.

<b>Principal Purposes for the eighteen months from July 1, 2018 to December 31, 2019</b>	<b>Amount (\$)</b>
General, Administrative & Travel Expenses	12,000
Accounting and Audit	2,000
Media & Communications	4,000
Management & consulting	50,000
Patent, trademark legal & application fees	2,000
Reporting issuer compliance expenses	2,000
<b>Total Monthly Expenditures:</b>	<b>74,000</b>
<b>Total Eighteen (18) Month Expenditures</b>	<b>1,332,000</b>

However, RDT's business has developed more quickly than anticipated in June 2018. During the period from July 1 to November 30, 2018, RDT spent approximately \$1,000,000 on equipment and other capital expenses and approximately \$120,000 on inventory, neither of which was included in the table of monthly expenses referred to above. These expenditures became possible as a result of RDT's recent private placements. In addition, as RDT's business has been expanding, RDT has been increasing its staff and over the five (5) month period from July 1 to November 30, 2018 wages and consulting fees have averaged \$130,000 per month compared to the earlier estimate of \$50,000 per month. Similarly, its research and development costs for the five (5) month period were approximately \$100,000 compared to the estimate of \$10,000 for patent and trade mark costs. Overall, RDT's business has been expanding at a much faster pace as a result of the signing of three major contracts and that growth is expected to continue as additional contracts are signed. As well, RDT has estimated revenue of approximately \$925,000 in the last several weeks of that five (5) month period. As a result of these changes, the Company currently expects that the Resulting Issuer's expenses for the period from January 1 to December 31, 2019 will increase to be reflective of the following. However, the Company notes that as a result of the accelerated pace of expansion of RDT's business, it is very difficult to accurately predict future expenditures. Accordingly, there is no assurance that the foregoing estimates will be reflective of the actual expenditures that the Resulting Issuer will incur during that period.

<b>Principal Purposes for the twelve months from January 1, 2019 to December 31, 2019</b>	<b>Amount (\$)</b>
General, Administrative & Travel Expenses	40,000
Accounting and Audit	5,000

Media & Communications	5,000
Wages, management & consulting	150,000
Patent, trademark legal & application fees (including research and development)	20,000
Reporting issuer compliance expenses	5,000
Equipment and other capital expenditures	50,000
Contingencies	25,000
<b>Total Monthly Expenditures:</b>	300,000
<b>Total Twelve (12) Month Expenditures</b>	3,600,000

The Resulting Issuer may be required to access the capital markets from time to time in order to pursue its programs and objectives stated above.

## CAPITALIZATION OF THE RESULTING ISSUER

### *Authorized Share Capital*

Following completion of the Amalgamation, the authorized capital of the Resulting Issuer will consist of an unlimited number of Common Shares, sometimes referred to herein as Resulting Issuer Shares. The holders of the Resulting Issuer Shares will be entitled to receive dividends ratably, if, as and when declared by the Board, will be entitled to one vote per share at all meetings of shareholders, and will be entitled on liquidation, dissolution or winding-up to participate ratably in any distribution of assets of the Resulting Issuer after payment of all creditors. See Part One under “*Description of Securities of the Company – Common Shares*” above.

### *Issued Share Capital of the Resulting Issuer*

The total number of the Resulting Issuer Shares to be issued and outstanding immediately following the Effective Time is expected to be approximately 75,021,327 common shares (including Resulting Issuer Shares issued to Gambier). Former RDT shareholders are expected to hold 64,841,200 Resulting Issuer Shares representing approximately 86% of such Resulting Issuer Shares and former ACME Shareholders are expected to hold 5,272,190 Resulting Issuer Shares representing approximately 7% of such Resulting Issuer Shares. The chart below sets forth the origin of the Resulting Issuer shareholdings:

Origin of the Resulting Issuer Shareholding	Number of the Resulting Issuer Shares (undiluted)	Percentage of the Resulting Issuer Shares (undiluted) <sup>(1)</sup>	Number of the Resulting Issuer Shares (fully diluted)	Percentage of the Resulting Issuer Shares (fully diluted) <sup>(1)</sup>
<b>Current RDT Shareholders</b>	64,841,200	86%	64,841,200	78%
<b>Current ACME Shareholders</b>	5,272,190	7%	5,272,190	7%
<b>Gambier</b>	4,907,937	7%	4,907,937	6%
<b>Warrant holders</b>	-	-	840,000	<1%
<b>Stock Option Plan</b>	-	-	7,502,132	9%
<b>Total</b>	75,021,327	100%	83,363,489	100%

Notes:

(1) Figures have been rounded.

***The Resulting Issuer Stock Option Plan and Options***

Immediately following the Effective Time, it is anticipated that there will be no Resulting Issuer Shares issuable upon the exercise of stock options. Options on Resulting Issuer Shares will be issuable pursuant to the terms of the ACME Stock Option Plan. See “*Stock option plans and other incentive plans*” in Part One hereof.

The terms of options on Resulting Issuer Shares that will be issued and outstanding immediately following the Effective Time are set out below.

<b>Origin of the Resulting Issuer Options</b>	<b>Number of Shares Issuable on Exercise of the Resulting Issuer Options</b>	<b>Exercise Price of the Resulting Issuer Options</b>	<b>Expiry Date of the Resulting Issuer Options<sup>(1)</sup></b>
ACME Stock Option Plan	NIL	N/A	N/A

The Resulting Issuer Board may grant options on closing of the Amalgamation and from time to time thereafter in accordance with ACME’s Stock Option Plan, as amended from time to time, and applicable securities regulatory and Exchange requirements.

**DIRECTORS, EXECUTIVE OFFICERS AND PRINCIPAL SHAREHOLDERS OF THE RESULTING ISSUER**

Pursuant to the Amalgamation Agreement, the Resulting Issuer Board is anticipated to consist of nominees approved by RDT. Their names and principal occupations are set forth in the chart below.

***Directors***

Upon Amalgamation, the Articles of the Resulting Issuer will be the Articles of ACME which require a minimum of three (3) and a maximum of ten (10) directors. At a meeting of the directors of the Resulting Issuer on the Effective Date, it is proposed that two (2) directors of ACME in office at the Effective Time will resign in sequence and be replaced by two (2) directors designated by RDT who will hold office until the next annual meeting of the Resulting Issuer shareholders or until the directors' respective successors are duly elected or appointed. In addition, it is proposed that the ACME Board will be increased to four (4) directors and a fourth nominee of RDT will be appointed to fill that vacancy.

The following table sets out the name, province and country of residence, position or office held and period served as a director or officer with RDT, the principal occupation during the past five years and the anticipated holdings of the Resulting Issuer Shares immediately following the Effective Time of each proposed director and officer of the Resulting Issuer.

<b>Name, Province and Country of Residence</b>	<b>Proposed Office or Position with the Resulting Issuer</b>	<b>Chief Occupation for Past Five Years</b>	<b>Anticipated Number of the Resulting Issuer Shares to be Beneficially Owned, Directly or Indirectly, or Over Which Control and Direction are Exercised</b>
Mark Upsdell <sup>(1)</sup> , Burlington, Ontario	Director, President and CEO	Director and CEO of RDT since May 3 <sup>rd</sup> , 2017; prior thereto Director, Global Strategy and Planning of Cisco Systems, Inc. (a technology conglomerate) from	11,786,390

Name, Province and Country of Residence	Proposed Office or Position with the Resulting Issuer	Chief Occupation for Past Five Years	Anticipated Number of the Resulting Issuer Shares to be Beneficially Owned, Directly or Indirectly, or Over Which Control and Direction are Exercised
		2011 to April 2017	
Jason Lewis, Oakville, Ontario	Director and SVP Business Development	Senior VP Business Development of RDT since May 3 <sup>rd</sup> , 2017; Director of RDT since June 15, 2018; prior thereto President of PharmaComm Inc. (an advertising company) from November 2003 to May 2017.	4,750,000
Lino Fera, Burlington, Ontario	CFO	CFO of RDT since August 1, 2017; prior thereto CFO of Starshot Ventures Inc. (a marketing company) from January, 2000 to March, 2017.	750,000
Kenneth Fox <sup>(1)</sup> , Burlington, Ontario	Director	Director, Central East Region and Director, Central West Region for the Ministry of Labour since 2011.	100,000
Brian M. Howlett <sup>(1)</sup> Mississauga, Ontario	Director	President and Chief Executive Officer of Dundee Sustainable Technologies Inc. (a mining technology corporation) since 2016, President and Chief Executive Officer of CR Capital Corp. (a mineral exploration corporation) since 2014 and President and Chief Financial Officer of Superior Copper Corporation (a mineral exploration corporation) between 2012 and 2014.	240,000

Note:

(1) Proposed member of the Audit Committee

### ***Officers***

The first executive officers of the Resulting Issuer are expected to be the following:

Mark Upsdell, President and Chief Executive Officer;

Jason Lewis, Senior Vice-President Business Development; and

Lino Fera, Chief Financial Officer.

### ***Biographies of Proposed Directors and Executive Officers of the Resulting Issuer***

Below are the biographies of the proposed directors and officers of the Resulting Issuer. Each of the officers is expected to work full time for the Resulting Issuer. Each officer is initially expected to be an independent contractor rather than an employee of the Resulting Issuer.

*Mark Upsdell, Proposed Chief Executive Officer and Director*

Mr. Upsdell has over 25 years of experience in management, sales and strategic planning. Mr. Upsdell is the Founder and has been a director and the CEO of RDT since its incorporation on May 3rd, 2017. Prior to that, Mr. Upsdell was Director, Global Strategy and Planning of Cisco Systems, Inc. (a high-tech conglomerate) from 2011 to April 2017. Mr. Upsdell was also formerly a sales executive for Hewlett-Packard (a technology company) from January 2000 to November 2011. Mr. Upsdell graduated from Conestoga College in 1982 with a diploma in Business Administration and graduated in 1983 from McMaster University with a Diploma in Computer Science.

*Jason Lewis, Proposed Senior Vice- President of Business Development and Director*

Mr. Lewis has over 25 years of experience in sales, marketing and innovation in the bio-technology industry. Mr. Lewis is currently the Senior Vice-President of Business Development and a Director of RDT. Mr. Lewis was formerly the Founder and President of RemoteRep Inc. (a sales and marketing company) and PharmaComm Inc. (an advertising company). Prior to that, Mr. Lewis served as Vice-President of MarketForce Inc. (a sales and marketing company) and as Director of International Marketing for Apotex International Inc. (a pharmaceutical manufacturing company). Mr. Lewis graduated in 1991 and with a BA in Economics from the University of Western Ontario and also graduated in 1999 with an Executive MBA from Queen's University. Mr. Lewis was a guest lecturer for marketing communications at Wilfrid Laurier University from 2005 to 2006 and from 2006 to 2011 he was Co-investigator: Creation and Evaluation of a Novel Model for Guideline Implementation: Total Bipolar Management at the University of Toronto.

*Lino Fera, Proposed Chief Financial Officer*

Mr. Fera has over 25 years of management, operational and leadership experience. Mr Fera has been CFO of RDT since August 1, 2017. Prior to that, Mr. Fera was the CFO of Starshot Ventures Inc. (a sales and marketing company) from January, 2000 to March, 2017. In addition, Mr. Fera authored a book entitled 'The Waiting Game', which was published in March, 2018. In 2016, Mr. Fera co-founded Cribwolf Foundation, a non-profit organization, to address the global housing crisis for individuals with intellectual, developmental and physical disabilities. Mr. Fera graduated from the University of Toronto in 1978 with a honours BA and graduated from the University of Windsor with a B.Comm in 1981. Mr. Fera received his CPA designation in 1985.

*Brian Howlett, Proposed Director*

Mr. Howlett has over 30 years of senior financial management experience. Mr. Howlett is currently the President, Chief Executive Officer and Director of Dundee Sustainable Technologies Inc. and CR Capital Corp. He also formerly served as the President and Chief Financial Officer of Superior Copper Corporation and as Chief Financial Officer of DNI Metals Inc.. Prior to that, Mr. Howlett spent 12 years with ELI Eco Logic Inc., including 6 years as Chief Financial Officer. Mr. Howlett graduated in 1982 with a B. Comm. in finance from Concordia University and received his CMA designation in 1989. Mr. Howlett also serves on the Board of Nighthawk Gold Inc., a junior mining companies.

*Kenneth Fox, Proposed Director*

Mr. Fox has over 25 years of corporate tax, strategy and policy development, project management, change management, labour relations and organizational design experience. Mr. Fox is a proposed director for RDT. Mr. Fox has been the Director, Central East Region and Central West Region for the Ministry of Labour since 2011. Prior to that, Mr. Fox held various director positions at the Ministry of Finance/Revenue (Ontario) including Director of retail sales tax audit, Director of corporations tax audit and Regional Director from 2002 to 2011. Mr. Fox graduated from Mohawk College in 1981 with a business administration diploma and received his CMA designation in 1990 through the University of Calgary, and then he received his CPA designation in 2014.

***Directors Relationships with Other Reporting Issuers***

One of the proposed directors of the Resulting Issuer is a director or officer of other reporting issuers as set out below:

Director	Officer of Other Reporting Issuers	Director of Other Reporting Issuers
Brian M. Howlett	CR Capital Corp. Dundee Sustainable Technologies Inc.	CR Capital Corp. Nighthawk Gold Corp. Dundee Sustainable Technologies Inc.

### ***Corporate Cease Trade Orders, Corporate and Individual Bankruptcies and Insolvencies***

To the knowledge of ACME, none of the foregoing nominees for director or officer of the Resulting Issuer is, at the date of this Prospectus, or has been, within ten (10) years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including ACME and RDT) that,

1. was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, and that was issued while the proposed director was acting in the capacity of director, chief executive officer (“CEO”) or chief financial officer (“CFO”), or
2. was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity of director, CEO or CFO.

To the knowledge of ACME, none of the foregoing nominees for director or officer of the Resulting Issuer (a) is, at the date of this Prospectus, or has been, within ten (10) years before the date of this Prospectus, a director or executive officer of any company (including ACME and RDT), that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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; or (b) has, within the ten (10) years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 the proposed director.

### ***Penalties and Sanctions***

To the knowledge of ACME, no nominee for director of the Resulting Issuer has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### ***Shareholdings of the Anticipated Insiders, Promoters and Control Persons of the Resulting Issuer***

The shareholdings pre-Amalgamation and post-Amalgamation of each anticipated insider, promoter and control person of the Resulting Issuer now and following the closing of the Amalgamation, are, or will be, as follows (based on issued and outstanding shares totaling 75,021,327 after the Amalgamation):

Insider, Promoter or Control Person of the Resulting Issuer	ACME Shares Owned or Controlled Before the Amalgamation		The Resulting Issuer Shares Owned <sup>(2)</sup> or Controlled After Giving Effect to the Amalgamation	
	Number	Percentage <sup>(1)</sup>	Number	Percentage <sup>(1)</sup>
Mark Upsdell	0	0	11,786,390	15.7



Insider, Promoter or Control Person of the Resulting Issuer	ACME Shares Owned or Controlled Before the Amalgamation		The Resulting Issuer Shares Owned <sup>(2)</sup> or Controlled After Giving Effect to the Amalgamation	
Jason Lewis	0	0	4,750,000	6.3
Brian Howlett	190,000	4	240,000	<1
Kenneth Fox	0	0	100,000	<1
Lina Fera	0	0	750,000	1.0

Note:

(1) Percentages are rounded

It is anticipated that, as at the Effective Time, the directors and officers of the Resulting Issuer will beneficially own or control or direct, directly or indirectly, in the aggregate 17,626,390 Resulting Issuer Shares representing approximately 23.5% of the issued and outstanding shares of the Resulting Issuer Shares.

### *Principal shareholder*

Based on information available as at the date of this Prospectus, it is anticipated that, as at the Effective Time, one shareholder will beneficially own or exercise control or direction over, directly or indirectly, more than 10% of the outstanding voting securities of the Resulting Issuer, and the table below sets out such shareholder's name and municipality of residence, as well as the number of voting securities anticipated to be so owned, controlled or directed and the percentage of the outstanding voting securities of the Resulting Issuer anticipated to be so owned, controlled or directed.

Name and Province and Country of Residence	Number of the Resulting Issuer Shares	Type of Ownership	Percentage of Outstanding the Resulting Issuer Shares
Mark Upsdell, Ontario, Canada	11,786,390	Direct	15.7

### *Escrowed Securities*

Currently, none of the Company's Common Shares are subject to any escrow arrangements.

Concurrently with the completion of the Amalgamation, the Company will enter into an Escrow Agreement with Capital Transfer Agency ULC, pursuant to which the Resulting Issuer's Named Executive Officers, directors, other Insiders and other shareholders (excluding (i) those shareholders acquiring RDT Shares pursuant to RDT-PP, RDT-PP2 and certain other early private placements, (ii) Gambier and (iii) those who may exercise any RDT Warrants) will deposit all of their Exchange Shares in escrow as set out below.

Designation of class	Number of securities to be held in escrow or that are subject to a restriction on transfer	Percentage of class
Common Shares	51,906,140 <sup>(4)</sup>	69.23%

Notes:

- (1) The RDT Warrants will not be subject to escrow. Any Exchange Shares issued in exchange for RDT Shares issued by RDT on exercise of any RDT Warrants will not be subject to escrow.
- (2) Exchange Shares to be issued in exchange for RDT Shares issued by RDT pursuant to RDT-PP and RDT-PP2 will not be subject to escrow.
- (3) Resulting Issuer Shares to be issued by the Resulting Issuer to Gambier will not be subject to escrow; however,

- such Resulting Issuer Shares will be subject to a standard regulatory hold period of four months and a day.
- (4) Five percent (5%) of 51,906,140 Exchange Shares to be issued on completion of the Amalgamation, namely 2,595,307 Exchange Shares, will be released from escrow on the Escrow Commencement Date, namely the first day of trading of Resulting Issuer Shares on the CSE.

The Escrowed Securities will be released from escrow on the following schedule:

<b>Time or event for release of Escrowed Securities</b>	<b>Percentage of Shares to be Released</b>	<b>Number of Shares to be Released</b>
On the Escrow Commencement Date	5% of the Escrowed Securities	2,595,307
6 months after the Escrow Commencement Date	5% of the Escrowed Securities	2,595,307
12 months after the Escrow Commencement Date	5% of the Escrowed Securities	2,595,307
18 months after the Escrow Commencement Date	5% of the Escrowed Securities	2,595,307
24 months after the Escrow Commencement Date	15% of the Escrowed Securities	7,785,921
30 months after the Escrow Commencement date	15% of the Escrowed Securities	7,785,921
36 months after the Escrow Commencement Date	50% of the Escrowed Securities	25,953,070

### **Compensation Discussion and Analysis**

It is anticipated that the Resulting Issuer will adopt the compensation principles of RDT following the Effective Date and that the Resulting Issuer Board will appoint a compensation committee following the Effective Date which committee will be responsible for determining all forms of compensation, including long-term incentives in the form of stock options, to be granted to the proposed Named Executive Officers and directors of the Resulting Issuer, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Resulting Issuer, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Resulting Issuer Board will consider: (i) recruiting and retaining executives critical to the success of the Resulting Issuer and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the shareholders of the Resulting Issuer; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. See Part Two under "Executive Compensation of RDT" for details of the compensation principles of RDT.

### **Option-Based Awards of NEOs of the Resulting Issuer**

The terms of the Resulting Issuer's Stock Option Plan will be identical to those of the ACME Stock Option Plan. See Part One under "*Stock option plans and other incentive plans*" for details. The Resulting Issuer Board may amend the stock option plan from time to time in accordance with applicable securities and Exchange regulations, subject to any necessary shareholder approvals.

### **Pension Plan Benefits**

It is not anticipated that the Resulting Issuer will, as of the Effective Date or in the foreseeable future, have any pension plans that provide for payments of benefits at, following or in connection with retirement or provide for retirement or deferred compensation plans for the Named Executive Officers or directors of the Resulting Issuer.

## Termination and Change of Control Benefits

It is not anticipated that there will, as of the Effective Time, be any contracts, agreements, plans or arrangements that provide for payments to the Named Executive Officers of the Resulting Issuer at, following, or in connection with, any termination, resignation, retirement, change in control of the Resulting Issuer or change in their responsibilities. See also the termination provisions of the ACME Stock Option Plan in Part One under “*Stock option plans and other incentive plans*” for the effect of termination on options granted on the Resulting Issuer Shares.

## Material Factors Necessary to Understand Director Compensation

It is not known at this time whether directors of the Resulting Issuer will receive any compensation for attending meetings of the directors, meetings of the Resulting Issuer committees of the Board or meetings of the shareholders of the Resulting Issuer. It is anticipated that the directors of the Resulting Issuer will be eligible to be granted stock options under the Resulting Issuer Stock Option Plan, as described in Part One under “*Stock option plans and other incentive plans*”.

## Directors’ and Officers’ Liability Insurance

It is anticipated that, promptly following the Effective Date, the Resulting Issuer will obtain a directors’ and officers’ liability insurance policy for the protection of the directors and officers of the Resulting Issuer.

## Equity Compensation Plan Information

The following table sets out information proposed to be in effect as at the Effective Time with respect to the Resulting Issuer’s Stock Option Plan, which is the only compensation plan as at such time under which options to purchase equity securities of the Resulting Issuer will be authorized for issuance to employees or non-employees such as directors and consultants. The Resulting Issuer’s Stock Option Plan will, upon Amalgamation, be the same as the ACME Stock Option Plan. For further information regarding the Resulting Issuer’s Stock Option Plan, see Part One under “*Stock option plans and other incentive plans*”.

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders <sup>(1)(2)</sup>	0	N/A	7,502,132
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	0	N/A	7,502,132

Notes:

- (1) The ACME Stock Option Plan is a “rolling plan” providing for options to be granted on a number of shares equal to 10% of the issued and outstanding shares at the time of the grant.
- (2) Assuming 75,021,327 Resulting Issuer Shares are issued and outstanding.

### ***Indebtedness of Directors and Officers***

Other than \$17,919 owed as at August 31, 2018 for employee advances, no existing or proposed director or officer of the Resulting Issuer or any associate thereof is indebted to the Resulting Issuer or its subsidiary, Amalco, or its other subsidiary.

### **SELECTED PRO FORMA FINANCIAL INFORMATION REGARDING THE RESULTING ISSUER**

The following table sets out certain selected historical financial information for each of RDT and ACME as well as unaudited *pro forma* financial information for RDT, after giving effect to the Amalgamation. RDT has a financial year ending February 28 and ACME has a financial year ending September 30.

The following information should be read in conjunction with and is qualified by the contents of the unaudited Pro Forma Consolidated Financial Statements of RDT and the notes thereto attached as Appendix “G” of this Prospectus which are based on the audited consolidated financial statements of RDT for the the period from incorporation (May 3, 2017) to February 28, 2018 and the audited financial statements of ACME for the year ended September 30, 2017.

#### **Summary of Pro Forma Consolidated Statement of Financial Position as at August 31, 2018**

As at	Historical (unaudited)		Pro Forma (unaudited)	
	RDT August 31, 2018	ACME June 30, 2018	Adjustments	Resulting Issuer August 31, 2018
Current Assets	6,341,183	497,328	-	6,742,4793
Total Assets	6,780,486	497,328	(96,032)	7,181,782
Total Liabilities	54,732,732	111,443	-	166,175
Shareholders' Equity (Deficiency)	6,780,486	497,328	(96,032)	7,181,782

#### **Summary of Pro Forma Consolidated Statement of Comprehensive Loss for the Nine-month Period Ended June 30, 2018.**

	Historical (unaudited)		Pro Forma (unaudited)	
	RDT March 1 to August 31, 2018	ACME March 1 to June 31, 2018	Adjustments June 30, 2018	Resulting Issuer March 1 to June 30, 2018
Operating Expenses	802,846	335,972	-	1,138,818
Listing Expense	-	-	-	3,664,289
Net Loss and Comprehensive Loss	(802,846)	(335,972)	(3,664,289)	(4,803,107)

## AUDITORS OF THE RESULTING ISSUER

It is proposed that, effective as of the Effective Time of the Amalgamation, MNP LLP, Chartered Professional Accountants, Toronto, Ontario, the current auditors of RDT, will be the auditors of the Resulting Issuer until the first annual meeting of shareholders of the Resulting Issuer or until their successors are elected or appointed. That appointment was approved at the meeting of shareholders of the Company held on August 30, 2018.

## AUDIT COMMITTEE AND CORPORATE GOVERNANCE

The Board of Directors of the Resulting Issuer is expected to appoint the following proposed directors as members of the audit committee following the Effective Time – Mark Upsdell, Brian Howlett and Kenneth Fox. It is anticipated that the Resulting Issuer Board will continue with the ACME Audit Committee Charter attached to this Prospectus as Appendix “F”. Mark Upsdell is the only member of the Audit Committee not considered "independent" and all of them are "financially literate" within the meaning of Canadian Securities Administrators' National Instrument 52-110 – *Audit Committees* ("NI 52-110").

The Board of Directors of the Resulting Issuer is expected to adopt corporate governance practices that are substantially similar to those of the Company. See Part One under “*Audit Committee and Corporate Governance of the Company*” above.

The education and experience of each Audit Committee member of the Resulting Issuer that is relevant to the performance of his and her responsibilities is as follows:

Name	Determination of Financial Literacy
Mark Upsdell,	Mr. Upsdell graduated from Conestoga College in 1982 with a diploma in Business Administration and graduated in 1983 from McMaster University with a Diploma in Computer Science. Mr. Upsdell has over 25 years of experience in management, sales and strategic planning. Mr. Upsdell is the Founder and has been a director and the CEO of RDT since its incorporation on May 3rd, 2017. Prior to that, Mr. Upsdell was Director, Global Strategy and Planning of Cisco Systems, Inc. (a high-tech conglomerate) from 2011 to April 2017. Mr. Upsdell was also formerly a sales executive for Hewlett-Packard (a technology company) from January 2000 to November 2011.
Brian Howlett	Mr. Howlett received a Bachelor of Commerce from Concordia University in 1982. He is a chartered professional accountant and certified management accountant (since 1989). He is a professional with over 30 years of senior financial management experience. Mr. Howlett is currently a director or officer of several reporting issuers – namely, the President, Chief Executive Officer and Director of Dundee Sustainable Technologies Inc. and CR Capital Corp., as well as a director of Nighthawk Gold Corp. He also formerly served as the President and Chief Financial Officer of Superior Copper Corporation and a Chief Financial Officer of DNI Metals Inc. Prior to that, Mr. Howlett spent 12 years with ELI Eco Logic Inc., including 6 years as Chief Financial Officer. Mr. Howlett has also served as a director on the Board for several junior mining companies including Minifocus Exploration Corp. from November 2017 to January 2018, DNI Metals Inc. from August 2017 to November 2018, Superior Copper Corp. from May 2012 to June 2016, Woulfe Mining Corp. from March 2015 to September 2015, and Goldeye Explorations Inc. from August 2011 to June 2014.
Kenneth Fox	Mr. Fox graduated from Mohawk College in 1981 with a business administration diploma and received his CMA designation in 1990 through the University of Calgary, and then he received his CPA designation in 2013. Mr. Fox has been the Director, Central East Region and Central West Region for the Ministry of Labour since 2011. Prior to that, Mr. Fox held various director positions at the Ministry of Finance/Revenue (Ontario) including Director of retail sales tax audit, Director of corporations tax audit

Name	Determination of Financial Literacy
	and Regional Director from 2002 to 2011.

All three Audit Committee members of the Resulting Issuer have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements and are therefore considered "financially literate".

Each Audit Committee member is a businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

As a venture issuer, the Resulting Issuer intends to continue to rely on the exemption from Parts 3 and 5 of NI 52-110 regarding the composition of the Audit Committee and reporting obligations.

### **REGISTRAR AND TRANSFER AGENT**

The Registrar and Transfer Agent for the Resulting Issuer will continue to be Capital Transfer Agency ULC, at its Toronto office.

#### **Dividend Policy**

As at the Effective Time, there will be no restrictions in ACME's Articles or elsewhere which would prevent the Resulting Issuer from paying dividends following the completion of the Amalgamation. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid on such common shares. However, it is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business and, accordingly, it is not contemplated that any dividends will be paid on the Resulting Issuer shares in the immediate or foreseeable future. The Board of Directors of the Resulting Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS WITH THE RESULTING ISSUER**

See "*Conflicts of Interest*" and "*Interest of Management and Others in Material Transactions with the Company*" in Part One of this Prospectus and "*Conflicts of Interest*" and "*Interest of RDT's Management and Others in Material Transactions with RDT*" in Part Two of this Prospectus.

### **MATERIAL CONTRACTS**

Upon Amalgamation, the material contracts of the Resulting Issuer will be the same as those of ACME (as they are one and the same corporation) and, indirectly through Amalco, the material contracts of RDT will be the same as those of RDT. See Part Two of this Prospectus under "*Disclosure Regarding RDT - Material Contracts*".

### **PROMOTER OF THE RESULTING ISSUER**

Mark Upsdell is considered to be a promoter of the Resulting Issuer as that term is defined in the *Securities Act* (Ontario) as he has, through the negotiation and execution of the Amalgamation Agreement leading to the Reverse Take-Over of the Company, taken the initiative in substantially reorganizing the business of the Company to become the Reporting Issuer. Mr. Upsdell will beneficially own or control 11,786,390 common shares of the Resulting Issuer which were received for his services as President and CEO of RDT. Effective March 1, 2018, Mr. Upsdell entered into an unwritten agreement with RDT to receive \$10,000 per month for his services as President and CEO

on a month-to-month basis terminable by either party on one month's notice. Mr. Upsdell will not receive anything of value from the Resulting Issuer and has no entitlement to receive anything of value except as set forth in this Prospectus.

See “*Executive Compensation*”, “*Principal Shareholders*”, “*Directors and Executive Officers*”, “*Interests of Management and Others in Material Transactions*”, and “*Material Contracts*” in “*Part Two – RDT*” and “*Part Three – The Resulting Issuer*” of this Prospectus for additional disclosure concerning the promoter.

## **RISK FACTORS**

The risks associated with the business of RDT are numerous. Some of them are described above. See “*Risk Factors Regarding the Company*” in Part One of this Prospectus and “*Risk Factors for the RDT Business*” in Part Two of this Prospectus above. Additional risks that are not yet identified or that ACME or RDT believes are immaterial may also impair the Resulting Issuer's business operations.

## **EXEMPTIONS**

The Company applied for and received exemptive relief under Part 19 of National Instrument 41-101 – *General Prospectus Requirements* (“NI 41-101”) from the requirement under Section 2.3(1) of NI 41-101 to file its final prospectus not more than 90 days from July 13, 2018, the date of receipt for its preliminary prospectus. The grant of exemptive relief is evidenced by the issuance of the receipt for the final prospectus.

## CERTIFICATE OF THE COMPANY AND THE PROMOTER

Dated: December 5, 2018

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of Ontario.

*(signed) "John M. Siriunas"*  
\_\_\_\_\_  
John M. Siriunas, Chief Executive Officer

*(signed) "Miles Nagamatsu"*  
\_\_\_\_\_  
Miles Nagamatsu, Chief Financial Officer

### On behalf of the Board of Directors

*(signed) "Kees Van Winters"*  
\_\_\_\_\_  
Kees Van Winters, Director

*(signed) "Brian Howlett"*  
\_\_\_\_\_  
Brian Howlett, Director

### By the Promoter

*(signed) "Mark Upsdell"*  
\_\_\_\_\_  
Mark Upsdell



**APPENDIX “A”**

**Audited Financial Statements of ACME Resources Corp.  
for the years ended September 30, 2017 and 2016  
and  
Unaudited Interim Condensed Financial Statements for  
the nine (9) month periods ended June 30, 2018 and 2017**

ACME RESOURCES CORP.

FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

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ACME RESOURCES CORP.  
FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

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## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
ACME Resources Corp.

We have audited the accompanying financial statements of ACME Resources Corp., which comprise the statements of financial position as at September 30, 2017 and September 30, 2016, and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years ended September 30, 2017 and September 30, 2016, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ACME Resources Corp. as at September 30, 2017 and September 30, 2016, and its financial performance and its cash flows for the years ended September 30, 2017 and September 30, 2016 in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to these financial statements which describes the material uncertainties that may cast significant doubt about ACME Resources Corp.'s ability to continue as a going concern.

*RSM Canada LLP*

Licensed Public Accountants  
Chartered Professional Accountants  
January 29, 2018  
Toronto, Ontario

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

## ACME RESOURCES CORP.

STATEMENTS OF FINANCIAL POSITION  
(Expressed in Canadian Dollars)

SEPTEMBER 30

## ASSETS

	2017	2016
CURRENT		
Cash (note 11)	\$ <u>17,064</u>	\$ <u>903</u>
	<u>\$ 17,064</u>	<u>\$ 903</u>

## LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ <u>29,839</u>	\$ <u>37,751</u>
	<u>29,839</u>	<u>37,751</u>

## SHAREHOLDERS' DEFICIENCY

SHARE CAPITAL (note 6 (a))	395,456	351,304
SHARES TO BE ISSUED (note 6 (c))	50,000	20,000
RESERVE FOR SHARE-BASED PAYMENTS (note 6(b))	44,747	44,747
ACCUMULATED DEFICIT	( <u>502,978</u> )	( <u>452,899</u> )
	( <u>12,775</u> )	( <u>36,848</u> )
	<u>\$ 17,064</u>	<u>\$ 903</u>

INCORPORATION, NATURE OF OPERATIONS AND GOING CONCERN (note 1)  
SUBSEQUENT EVENTS (note 14)

Approved by the Board:

          "Paul Ankcorn"          , Director

          "Brian Cloney"          , Director

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

## ACME RESOURCES CORP.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
(Expressed in Canadian dollars)

FOR THE YEARS ENDED SEPTEMBER 30

	2017	2016
EXPENSES		
Corporate development (note 9)	\$ 12,435	\$ 7,239
Consulting fees	11,900	1,500
Office, general and administration	490	828
Professional fees	14,294	23,397
Regulatory, filing and transfer agent fees (note 9)	<u>10,960</u>	<u>14,133</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ 50,079</u>	<u>\$ 47,097</u>
Basic and diluted loss per common share	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding – basic and diluted	<u>5,543,108</u>	<u>4,023,320</u>

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

## ACME RESOURCES CORP.

STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	Share capital		Shares to be issued	Reserve for share-based payments	Accumulated deficit	Total
	Shares	Amount				
Balance, October 1, 2016	4,101,950	\$ 351,304	\$ 20,000	\$ 44,747	(\$ 452,899)	(\$ 36,848)
Shares issued or to be issued pursuant to private placements (note 6)	1,899,000	47,475	30,000	-	-	77,475
Share issued cost (note 6)	-	( 3,323)	-	-	-	( 3,323)
Net loss for the year	-	-	-	-	( 50,079)	( 50,079)
Balance, September 30, 2017	6,000,950	\$ 395,456	\$ 50,000	\$ 44,747	(\$ 502,978)	(\$ 12,775)
Balance, October 1, 2015	3,401,950	\$ 317,504	\$ 20,000	\$ 44,747	(\$ 405,802)	(\$ 23,551)
Shares issued or to be issued pursuant to private placements (note 6)	550,000	27,500	7,500	-	-	35,500
Shares issued or to be issued for consulting and legal services (note 6)	150,000	7,500	(7,500)	-	-	-
Share issue cost (note 6)	-	( 1,200)	-	-	-	( 1,200)
Net loss for the year	-	-	-	-	( 47,097)	( 47,097)
Balance, September 30, 2016	4,101,950	\$ 351,304	\$ 20,000	\$ 44,747	(\$ 452,899)	(\$ 36,848)

## ACME RESOURCES CORP.

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

STATEMENTS OF CASH FLOWS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30

	2017	2016
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net loss for the year	(\$ 50,079 )	(\$ 47,097)
Net change in working capital balance:		
Increase (decrease) in accounts payable and accrued liabilities	( <u>7,912</u> )	<u>16,442</u>
Cash used in operations	( <u>57,991</u> )	( <u>30,655</u> )
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:</b>		
Proceeds from issuance of common shares	47,475	15,000
Proceeds from shares to be issued	30,000	20,000
Share issue cost	( <u>3,323</u> )	( <u>1,200</u> )
Cash provided by financing	<u>74,152</u>	<u>33,800</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>16,161</b>	<b>3,145</b>
<b>CASH (BANK OVERDRAFT) AT BEGINNING OF THE YEAR</b>	<u>903</u>	( <u>2,242</u> )
<b>CASH AT END OF THE YEAR</b>	<u>\$ 17,064</u>	<u>\$ 903</u>

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



## ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

## 1. INCORPORATION, NATURE OF OPERATIONS AND GOING CONCERN:

ACME Resources Corp. (the "Company") was incorporated by articles of incorporation under *the Business Corporations Act* of Ontario on February 27, 2008. The Company is classified as a Capital Pool Company ("CPC") for regulatory purposes as defined in Policy 2.4 of the TSX Venture Exchange ("Policy 2.4"). As a CPC, the Company's principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 ("Qualifying Transaction"). Such a transaction will be subject to shareholder and regulatory approval. The Company is currently searching for potential qualifying transactions. The Company's principal office is suite 200 – 20 Adelaide Street East, Toronto, Ontario, M5C 2T6.

On January 28, 2010, the Company's shares began trading on the TSX Venture Exchange ("TSXV") (Tier 2) as a CPC under the symbol ACY.P, and on May 2, 2012, the Company's shares moved to the NEX board of Exchange ("NEX"). As a CPC listed on NEX, the Company continues to be required to comply with all of the requirements and restrictions in Policy 2.4. During 2017, the TSXV commenced a review of the compliance of certain prior year's expenditures of the Company with certain restrictions outlined in Policy 2.4. As well, the exchange is reviewing certain share issuances by the Company for compliance with certain restrictions on the issue of shares as set out by the TSXV. The review is ongoing and the impact is indeterminable.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred significant net losses and negative cash flows from operations in prior years. The Company incurred a net loss of \$50,079 (2016- \$47,097) during the year ended September 30, 2017 and, as of that date the Company's deficit was \$502,978 (2016- \$452,899). Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying values. The continuation of the Company as a going concern is dependent on its ability to obtain additional equity capital to finance existing operations, and to ultimately complete a Qualifying Transaction as defined under the policies of the TSXV. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation and complete a Qualifying Transaction. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate.

## 2. BASIS OF PRESENTATION:

**Statement of Compliance-**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements were authorized for issue by the Board of Directors on January 29, 2018.

**Basis of Measurement-**

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All amounts are presented in Canadian dollars, which is also the Company's functional currency.

**Critical judgments in applying accounting policies-**

The preparation of financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from those estimates.

## ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

## 2. BASIS OF PRESENTATION (continued):

**Critical judgments in applying accounting policies (continued)-**

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates and judgments used in the preparation of these financial statements include, but are not limited to, common share valuations issued for services, stock option and warrant valuations, the going concern assumption and deferred income tax recognition. Actual results could differ from management's best estimates.

## 3. SIGNIFICANT ACCOUNTING POLICIES:

## INCOME TAXES:

Income tax on the profit or loss for the periods presented 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, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the 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.

Deferred tax is recorded using the asset and 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. The following temporary differences are not provided for: 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 statement of financial position date.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## SHARE-BASED PAYMENTS:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

## ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued):

## SHARE-BASED PAYMENTS (continued):

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For those options that expire or are forfeited after vesting, the recorded value is transferred to accumulated deficit.

## SHARE ISSUE COSTS:

Transaction costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be probable. Share issue costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations. Agent's options are valued using the Black-Scholes Option Pricing Model.

## DEFERRED TRANSACTION COSTS:

The Company defers costs relating to the evaluation of potential Qualifying Transactions. However, if the Company determines that a specific Qualifying Transaction should not be concluded, the costs associated with the specific Qualifying Transaction are charged to operations in the current period.

## LOSS PER SHARE:

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. There is no dilution effect for the year as the Company is in a loss position. The 750,000 shares held in escrow as of September 30, 2017 (2016-750,000) have been excluded from the weighted average number of shares because they are contingently returnable.

## FINANCIAL INSTRUMENTS:

*Financial assets –*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except when there is objective evidence that the asset is impaired.

## ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued):

## FINANCIAL INSTRUMENTS (continued):

*Financial assets (continued) –*

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

*Financial liabilities –*

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income (loss).

*Financial instruments recorded at fair value-*

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on 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); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of September 30, 2017 and September 30, 2016, cash was the Company's only financial instrument that is recorded at fair value on the statements of financial position, which is classified as level 1. The fair value of accounts payable and accrued liabilities approximate their carrying values due to their relative short-term maturities.

## PROVISIONS:

*General* - Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

## 4. CURRENT AND FUTURE ACCOUNTING AND REPORTING CHANGES:

Effective for annual periods beginning on or after January 1, 2018

IFRS 9, Financial instruments – Classification and measurement, is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

The Company has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

## 5. BANK OVERDRAFT:

The Company has overdraft protection of up to \$3,500 (2016- \$3,500). The overdraft balance is subject to an annual interest rate of 21%.

## 6. SHARE CAPITAL:

## a) Common shares:

Authorized:

Unlimited number of common shares

By April 30, 2012, the Company was required to identify, complete and receive final TSXV approval for a Qualifying Transaction. As the proposed Qualifying Transaction had not been completed, half of the Company's seed shares (750,000 common shares) that were previously subscribed for by the directors were cancelled.

*Escrowed Shares*

As of September 30, 2017, 750,000 (2016- 750,000) common shares are held in escrow. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow following issuance of the Final Exchange Bulletin by the TSXV as to completion of the Qualifying Transaction, and 15% will be released every six months following the initial release over a period of thirty six months, unless otherwise permitted by the TSXV.

If the Company does not complete a Qualifying Transaction, the escrowed shares will not be released from escrow and if the Company de-listed, the shares will be cancelled.

*Shares issued for cash*

On November 11, 2015, the Company issued 550,000 common shares for gross proceeds of \$27,500. In connection with the private placements, cash finders fees of \$1,200 were paid to an eligible finder. 250,000 of the foregoing common shares were issuable at September 30, 2015 for cash proceeds received of \$12,500 (see note 6(c) for additional information relevant to shares to be issued).

On December 28, 2016, the Company issued 1,899,000 common shares for gross proceeds of \$47,475. In connection with the private placements, cash finders fees of \$3,323 were paid to an eligible finder.

## ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

## 6. SHARE CAPITAL (continued):

## a) Common shares (continued):

*Shares issued for consulting services*

On November 11, 2015, the Company issued 150,000 common shares, for consulting and legal services, with a fair value of \$7,500. The 150,000 common shares were valued using the most recent sale of common shares for cash to an arms length party, which management considers to approximate fair value, as the fair value of the service was not reliably determinable. The foregoing common shares were issuable at September 30, 2015 and issued in 2016.

## b) Stock options and share-based compensation:

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

Any common shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

As of September 30, 2017, the Company had 247,168 (2016- 247,168) stock options outstanding at an exercise price of \$0.20 expiring January 28, 2020.

## c) Shares to be issued:

*As of September 30, 2017*

As of September 30, 2017, the Company was committed to issue 1,600,000 common shares by way of subscription agreements for cash proceeds received of \$50,000.

*As of September 30, 2016*

As of September 30, 2016, the Company was committed to issue 400,000 common shares by way of subscription agreements for cash proceeds received of \$20,000.

## d) Warrants:

As of September 30, 2017 and 2016, there were no warrants outstanding.

## ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

## 7. CAPITAL MANAGEMENT:

Capital is comprised of the Company's shareholders' deficiency, which includes share capital, shares to be issued, reserve for share-based payments and accumulated deficit. As at September 30, 2017, the Company's shareholders' deficiency was \$12,775 (2016 - shareholders' deficiency of \$36,848) and it had no outstanding long-term debt. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long-term.

In order for the Company to continue to evaluate potential Qualifying Transactions and pay for administrative costs, the Company expects to raise additional amounts externally as needed.

The Company is not exposed to any external capital requirements, other than any minimum listing requirements that may apply. There were no changes in the Company's management of capital during the year ended September 30, 2017.

## 8. FINANCIAL RISK FACTORS:

## Credit risk -

The Company's credit risk was primarily attributable to cash included in current assets. The Company has no material concentration of credit risk arising from operations. Cash consisted of deposits held with a Chartered Canadian bank, from which management believes the risk of loss is remote. Management believes that credit risk with respect to receivables is minimal. The Company's maximum exposure to credit risk is its cash balance of \$17,604 (2016 - \$903) as of September 30, 2017.

## Liquidity risk -

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company currently has current liabilities of \$29,839 (2016 - \$37,751) and current assets of \$ 17,604 (2016 - \$903). The Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The ability of the Company to continue to pursue potential qualifying transactions and remedy its working capital deficiency is dependent on its ability to secure additional equity or debt financing.

## 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 equity prices.

## i) Interest rate risk

The Company has cash balances and no interest bearing debt. The Company is not exposed to any significant interest rate risk.

## ii) Foreign currency risk

The Company does not have assets or liabilities denominated in foreign currencies and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

There were no changes in the Company's approach to risk during the year ended September 30, 2017.

## ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

## 9. RELATED PARTY TRANSACTIONS:

Transactions with related parties are incurred in the normal course of business.

Related party transactions are disclosed below, unless they have been disclosed elsewhere in the financial statements.

During 2017, the Chief Executive Officer charged \$nil (2016-\$nil) to the Company for corporate management and administrative services.

Corporate development costs in the amount of \$12,183 were reimbursed to a director during 2017 (2016 - \$3,500). In addition, regulatory, filing and transfer agent fees in the amount of \$2,362 were reimbursed to a director in 2017 (2016 - \$nil).

The Company's key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company and consists of its Directors, Chief Executive Officer and Chief Financial Officer. Total compensation paid to the Company's key management personnel during the year ended September 30, 2017 was \$nil (2016- \$nil). No share based-payments, post-employment or other long-term benefits were incurred with respect to key management personnel in respect of the foregoing years.

## 10. SEGMENTED INFORMATION:

The Company's principal business is the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction in accordance with Policy 2.4. All of the Company's assets and expenses are in Canada.

## 11. CASH:

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets of businesses for future investment, with the exception that the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares, other than Agent Commissions and fees, and general and administrative expense of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

As at September 30, 2017 and 2016, the Company had exceeded the limit. There are potential implications associated with exceeding this limit; however, at this time the Exchange has decided not to take any action against the Company.

## 12. ABANDONED QUALIFYING TRANSACTION:

On October 5, 2015, the Company entered into a letter of intent (the "Arrangement") with Hantian Labs Ltd. ("Hantian"), a private company in anti-ageing and vitality nutraceutical products. Hantian was incorporated under the laws of the United Kingdom.

The proposed transaction was abandoned during 2016.



## ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

## 13. INCOME TAXES:

- (a) The Company's provision for income taxes differ from the amounts computed by applying the basic current tax rates to loss for the year before taxes, as shown in the following table:

	2017	2016
Loss before income taxes	(\$ 50,079)	(\$ 47,097)
Expected combined statutory income tax rate	<u>26.5%</u>	<u>26.5%</u>
Income tax benefit at the combined Canadian statutory rate	( 13,271)	( 12,481)
Items not deductible for tax purposes	1,648	959
Deductible share issue cost and cumulative eligible capital	( 724)	( 551)
Tax benefits not recognized	<u>12,347</u>	<u>12,043</u>
	<u>\$ -</u>	<u>\$ -</u>

- (b) The temporary differences that give rise to deferred income tax assets which are not recognized at September 30, 2017 and September 30, 2016 are as follows:

	2017	2016
Deferred income tax assets:		
Non-capital loss carry forward	\$ 559,663	\$ 513,070
Share issue costs	6,698	7,840
Cumulative eligible capital	<u>2,228</u>	<u>2,395</u>
Deferred income tax assets not recognized	<u>\$ 568,589</u>	<u>\$ 523,305</u>

- (b) The Company has Canadian non-capital losses of approximately \$559,662 that are available to reduce income otherwise taxable in future years. These losses if not used will expire as follows: 2028 – \$1,689; 2029 – \$3,669; 2030 – \$52,018; 2031 – \$88,379; 2032 – \$199,714; 2033 – \$38,740; 2034 – \$32,468; 2035 – \$50,835; 2036 - \$45,558; 2037 - \$46,593.
- (d) During 2017, the Company paid \$nil (2016 - \$nil) in respect of income taxes.

## 14. SUBSEQUENT EVENTS:

- (a) On October 24, 2017, the shareholders of the Company approved: the consolidation of the company's common shares on a one for five basis; that the Company change its name to a name as chosen by the Company's Board of Directors; and, the Company voluntarily delist from the TSXV and relist on the Canadian Securities exchange or other qualified exchange.
- (b) On November 13, 2017, the Company issued 400,000 common shares for gross proceeds of \$20,000 and the foregoing common shares were included in shares to be issued as of September 30, 2017 and September 30, 2016.
- (c) On November 13, 2017, the Company issued 1,200,000 common shares for gross proceeds of \$30,000 and the foregoing common shares were included in shares to be issued as of September 30, 2017.

ACME RESOURCES CORP.

NOTES TO THE FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

14. SUBSEQUENT EVENTS (continued):

- (d) On December 13, 2017, the Company entered into a letter of intent to acquire Rapid Dose Therapeutics Inc. through a reverse take-over transaction through amalgamation. If completed, the transaction would result in the listing of the amalgamated company's common shares on the Canadian Stock Exchange. The amalgamated company would have 58,396,190 common shares outstanding with shareholders of the Company receiving 5,266,190 of those shares. The proposed transaction is subject to shareholder and regulatory approval.
- (e) On January 2, 2018, the company issued 2,480,000 common shares for gross proceeds of \$62,000.

ACME RESOURCES CORP.

INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTHS ENDED JUNE 30, 2018 AND 2017

ACME RESOURCES CORP.  
INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)  
FOR THE NINE MONTHS ENDED JUNE 30, 2018 AND 2017

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## ACME RESOURCES CORP.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION  
(Expressed in Canadian Dollars, Unaudited)

	June 30, 2018	September 30, 2017
ASSETS		
CURRENT		
Cash	\$ 401,296	\$ 17,064
Deferred transaction costs	96,032	-
	<u>\$ 497,328</u>	<u>\$ 17,064</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 111,443	\$ 29,839
	<u>111,443</u>	<u>29,839</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)		
SHARE CAPITAL (note 6 (a))	1,030,088	395,456
SHARES TO BE ISSUED	-	50,000
RESERVE FOR SHARE-BASED PAYMENTS (note 6 (b))	-	44,747
CONTRIBUTED SURPLUS	150,000	-
ACCUMULATED DEFICIT	<u>( 794,203)</u>	<u>( 502,978)</u>
	385,885	( 12,775)
	<u>\$ 497,328</u>	<u>\$ 17,064</u>

INCORPORATION, NATURE OF OPERATIONS AND GOING CONCERN (note 1)  
SUBSEQUENT EVENTS (note 13)

Approved by the Board:

(Signed) " John Siriunas ", Director

(Signed) " Brian Howlett ", Director

See the accompanying notes.

## ACME RESOURCES CORP.

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTHS ENDED JUNE 30, 2018 AND 2017

	Three months ended		Nine months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b>EXPENSES</b>				
Bank charges	\$ 94	\$ 58	\$ 385	\$ 230
Corporate development	3,242	2,111	12,991	7,104
Regulatory and filing fees	5,574	2,273	33,388	6,501
Consulting fees	54,601	-	207,149	-
General and administrative	11,836	2,000	51,837	5,500
Professional fees	8,972	-	30,222	4,212
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ 84,319</b>	<b>\$ 6,442</b>	<b>\$ 335,972</b>	<b>\$ 23,547</b>
<b>Loss per share:</b>				
Basic and diluted loss per share	\$ 0.016	\$ 0.005	\$ 0.109	\$ 0.022
Weighted average number of common share outstanding	5,272,190	1,200,190	3,087,860	1,073,590

See the accompanying notes.

## ACME RESOURCES CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)  
(Expressed in Canadian Dollars, Unaudited)

## FOR THE NINE MONTHS ENDED JUNE 30, 2018 AND 2017

	Share	Capital	Reserve for					
	Common		Shares to be	Share-based	Contributed	Accumulated		
	Shares	Amount	issued	payments	Surplus	deficit	Total	
Balance, September 30, 2016	820,390	\$ 351,304	\$ 20,000	\$ 44,747	\$ -	(\$ 452,899)	(\$ 36,848)	
Shares issued for cash	379,800	44,152	-	-	-	-	44,152	
Net loss for the period	-	-	-	-	-	( 23,547)	( 23,547)	
Balance, June 30, 2017	1,200,190	\$ 395,456	\$ 20,000	\$ 44,747	\$ -	(\$ 476,446)	(\$ 16,243)	
Balance, September 30, 2017	1,200,190	\$ 395,456	\$ 50,000	\$ 44,747	\$ -	(\$ 502,978)	(\$ 12,775)	
Shares issued pursuant to prior period private placements	320,000	50,000	( 50,000)	-	-	-	-	
Shares issued pursuant to current period private placements, net of share issue costs	496,000	62,000	-	-	-	-	62,000	
Cancellation of escrowed Founder's shares (note 6(a))	( 150,000)	( 150,000)	-	-	150,000	-	-	
Shares issued pursuant to current period private placements, net of share issue costs	2,006,000	497,632	-	-	-	-	497,632	
Shares issued pursuant to debt conversion	1,400,000	175,000	-	-	-	-	175,000	
Fair value of cancelled stock options (note 6(b))	-	-	-	( 44,747)	-	44,747	-	
Net loss for the period	-	-	-	-	-	( 335,972)	( 335,972)	
Balance, June 30, 2018	5,272,190	\$ 1,030,088	\$ -	\$ -	\$ 150,000	(\$ 794,203)	\$ 385,885	

See the accompanying notes.

## ACME RESOURCES CORP.

## CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTHS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net loss for the period	(\$ 335,972)	(\$ 23,547)
Adjust for changes in working capital balance:		
Increase (decrease) in accounts payable and accrued liabilities	<u>256,604</u>	<u>( 20,079)</u>
Cash used in operations	<u>( 79,368)</u>	<u>( 43,626)</u>
CASH USED IN INVESTING ACTIVITIES:		
Increase in deferred transaction costs	<u>( 96,032)</u>	<u>          -</u>
Cash used in investing	<u>( 96,032)</u>	<u>          -</u>
CASH PROVIDED BY FINANCING ACTIVITIES:		
Issuance of common shares, net of share issue costs	<u>559,632</u>	<u>44,152</u>
Cash provided by financing	<u>559,632</u>	<u>44,152</u>
INCREASE IN CASH POSITION	384,232	526
CASH POSITION AT BEGINNING OF THE PERIOD	<u>17,064</u>	<u>903</u>
CASH POSITION AT END OF THE PERIOD	<u>\$ 401,296</u>	<u>\$ 1,429</u>
SUPPLEMENTARY CASH FLOW INFORMATION:		
Issuance of common shares for debt conversion	<u>\$ 175,000</u>	<u>          -</u>

See the accompanying notes.



## ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

## FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

## 1. INCORPORATION, NATURE OF OPERATIONS AND GOING CONCERN:

ACME Resources Corp. (the “Company”) was incorporated by articles of incorporation under *the Business Corporations Act* of Ontario on February 27, 2008. The Company is classified as a Capital Pool Company (“CPC”) for regulatory purposes as defined in Policy 2.4 of the TSX Venture Exchange (the “TSXV”, or the “Exchange”). As a CPC, the Company’s principal business was to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange (“Qualifying Transaction”). Such a transaction will be subject to shareholder and regulatory approval. The Company’s principal office is suite 200 – 20 Adelaide Street East, Toronto, Ontario, M5C 2T6.

On January 28, 2010, the Company received final receipts for a prospectus and thereafter began trading on the TSXV (Tier 2) as a CPC under the symbol ACY.P. However, as the Company did not complete a Qualifying Transaction within the necessary timeframe, the Company’s listing has been transferred to the NEX board of the Exchange (“NEX”). The NEX trading symbol is ACY.H. Trading on the TSXV was suspended by the TSXV on February 22, 2018 and the Company’s common shares were subsequently delisted from the NEX by the TSXV. The Company has abandoned pursuing a qualifying transaction, as defined in Policy 2.4 of the Exchange.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred significant net losses and negative cash flows from operations in prior years. The Company incurred a net loss of \$335,972 (period ended June 30, 2017 - \$23,547) during the period ended June 30, 2018 and, as of that date the Company’s deficit was \$794,203 (June 30, 2017 - \$476,446). Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying values.

The continuation of the Company as a going concern is dependent on its ability to obtain additional equity capital to finance existing operations. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate.

## 2. BASIS OF PRESENTATION:

**Statement of Compliance-**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company’s most recent annual financial statements for the year ended September 30, 2017. The condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended September 30, 2017.

The financial statements were authorized for issue by the Board of Directors on August 28, 2018.

## ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

## 2. BASIS OF PRESENTATION (continued):

**Basis of Measurement-**

The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

**Critical judgments in applying accounting policies-**

The preparation of financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from those estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates and judgments used in the preparation of these financial statements include, but are not limited to, stock option valuations, going concern assumption, deferred income tax recognition and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditures during the reporting period. Actual results could differ from management's best estimates.

## 3. SIGNIFICANT ACCOUNTING POLICIES:

## INCOME TAXES:

Income tax on the profit or loss for the periods presented 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, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the 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.

Deferred tax is recorded using the statement of financial position 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. The following temporary differences are not provided for: 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.

## ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued):

## INCOME TAXES (continued):

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 statement of financial position date.

## SHARE-BASED PAYMENTS:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For those options that expire or are forfeited after vesting, the recorded value is transferred to accumulated deficit.

## SHARE ISSUE COSTS:

Transaction costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be probable. Share issue costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations. Agent's options are valued using the Black-Scholes Option Pricing Model.

## DEFERRED TRANSACTION COSTS:

The Company defers costs relating to the evaluation of potential qualifying transactions. However, if the Company determines that a specific qualifying transaction should not be concluded, the costs associated with the specific qualifying transaction are charged to operations in the current period.

## LOSS PER SHARE:

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. There is no dilution effect for the year as the Company is in a loss position.

## ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

## FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued):

## FINANCIAL INSTRUMENTS:

*Financial assets –*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company’s cash is classified as FVTPL.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except when there is objective evidence that the asset is impaired. The Company’s share subscriptions receivable are classified as loans and receivables.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

*Financial liabilities –*

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income (loss). At June 30, 2018, the Company has not classified any financial liabilities as FVTPL.

ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

FINANCIAL INSTRUMENTS (continued):

*Impairment of financial assets –*

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

a) Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to accounts receivable, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

b) Available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss.

## ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued):

## FINANCIAL INSTRUMENTS (continued):

*Financial instruments recorded at fair value-*

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on 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); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of June 30, 2018 and September 30, 2017, cash was the Company's only financial instrument that is recorded at fair value on the statements of financial position, which is classified as level 1.

## PROVISIONS

*General*

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## 4. CURRENT AND FUTURE ACCOUNTING AND REPORTING CHANGES:

Effective for annual periods beginning on or after January 1, 2018

IFRS 9, Financial Instruments – Classification and Measurement, is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

Otherwise it is at fair value through profit or loss.

The Company has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

## ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

## FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

## 5. BANK OVERDRAFT:

The Company has overdraft protection of up to \$3,500 (2017 - \$3,000). The overdraft balance is subject to an annual interest rate of 21%.

## 6. SHARE CAPITAL:

## a) Common shares:

Authorized: Unlimited number of common shares

*Escrowed Shares*

As of June 30, 2018, no (June 30, 2017 - 750,000 pre-consolidation) common shares are held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow following issuance of the Final Exchange Bulletin by the Exchange as to completion of the Qualifying Transaction as defined by Exchange policies, and 15% will be released every six months following the initial release over a period of thirty-six months, unless otherwise permitted by the Exchange. Since the Company abandoned the pursuit of a Qualifying transaction, the 750,000 (150,000 post consolidation) previously escrowed shares were cancelled in accordance with TSXV policy. The paid-up capital amount of the forfeited shares was transferred to contributed surplus from common share capital.

*Share consolidation*

The Company completed a 5 for 1 share consolidation during the six-month period ended March 31, 2018. The share consolidation was effective February 16, 2018. All share, option and per share amounts in these financial statements have been retroactively restated to reflect this share consolidation.

*Shares Issued for cash*

By way of private placements, the Company issued the following common shares for cash consideration in the current period:

- I) 1,600,000 (320,000 post consolidation) common shares for gross proceeds of \$50,000; and
- II) 2,480,000 (496,000 post consolidation) common shares for gross proceeds of \$62,000.

By way of private placements and during the current period, the Company issued 2,006,000 common shares for gross cash proceeds of \$501,500. Share issue costs of \$3,867 were incurred on these private placements.

ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

6. SHARE CAPITAL (continued):

a) Common shares (continued):

*Shares Issued for cash (continued)*

On December 28, 2016, the Company issued 1,899,000 (379,800 post consolidation) common shares for gross cash proceeds of \$47,475. Finders fees of \$3,323 were paid to an eligible finder in connection with these private placements.

*Shares for debt*

In the current period and subsequent to the share consolidation, the Company issued 1,400,000 common shares in repayment of \$175,000 of debt.

b) Stock options and share-based compensation:

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

Any common shares acquired pursuant to the exercise of options prior to the completion of the qualifying transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

The Company cancelled 41,828 (209,142 pre-consolidation) stock options during the period. Accordingly, the fair value of the cancelled stock options of \$44,747 was reclassified from reserve for share-based payments to accumulated deficit during the current period.

As of June 30, 2018, the Company had no (June 30, 2017 – 49,434; 247,168 pre-consolidation) stock options outstanding. The options outstanding at June 30, 2017 had an exercise price of \$1 (2016 - \$0.20 pre-consolidation) and an expiry date of January 28, 2020.

c) Warrants:

As of June 30, 2018 and 2017, there were no warrants outstanding.



ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

7. CAPITAL MANAGEMENT:

Capital is comprised of the Company's shareholders' equity(deficiency), which includes share capital, shares to be issued, reserve for share-based payments, contributed surplus and accumulated deficit. As at June 30, 2018, the Company's shareholders' equity was \$385,885 (June 30, 2017 – shareholders' deficiency of \$16,243) and it had no outstanding long-term debt. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long-term.

In order for the Company to pay for administrative costs, the Company expects to raise additional amounts externally as needed.

The Company is not exposed to any external capital requirements, other than any minimum listing requirements that may apply. There were no changes in the Company's management of capital during the period ended June 30, 2018.

8. FINANCIAL RISK FACTORS:

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk -

The Company's credit risk is primarily attributable to cash included in current assets. The Company has no material concentration of credit risk arising from operations. Cash consist of deposits held with a Chartered Canadian bank, from which management believes the risk of loss is remote. Management believes that credit risk with respect to receivables is minimal.

Liquidity risk -

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company currently has current liabilities of \$111,443 (September 30, 2017 - \$29,839) and current assets of \$497,328 (September 30, 2017 - \$17,064). The Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The ability of the Company to maintain its working capital surplus is dependent on its ability to secure additional equity or debt financing.

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 equity prices.

ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

8. FINANCIAL RISK FACTORS (continued):

Market risk (continued)-

i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company is not exposed to any significant interest rate risk.

ii) Foreign currency risk

The Company does not have assets or liabilities denominated in foreign currencies and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

9. RELATED PARTY TRANSACTIONS:

Transactions with related parties are incurred in the normal course of business.

Related party transactions are disclosed below, unless they have been disclosed elsewhere in the financial statements.

During the nine months ended June 30, 2018, consulting fees for corporate management and administrative services in the amount of \$ 60,350 (2017 - \$nil) were charged by the Chief Executive Officer of the Company.

During the nine month period ended June 30, 2018, directors fees amounting to \$ 84,375 (2017 - \$nil) were paid to four directors, in aggregate.

The Company's key management personnel has the authority and responsibility for planning, directing and controlling the activities of the Company and consists of its Directors, Chief Executive Officer and Chief Financial Officer. Total compensation paid to the Company's key management personnel during the nine months ended June 30, 2018 was \$ 144,725 (2017 - \$nil). No share based-payments, post-employment or other long-term benefits were incurred with respect to key management personnel in respect of the forgoing periods.

10. SEGMENTED INFORMATION:

The Company's principal business has historically been the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction in accordance with Policy 2.4 of the Exchange. All of the Company's assets and expenses are in Canada (see note 1).

## ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

## 11. CASH:

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets of businesses for future investment, with the exception that the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares, other than Agent Commissions and fees, and general and administrative expense of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. The Company had exceeded these limits as at March 28, 2018, the date of delisting from the NEX by the TSXV. The Company has abandoned pursuing a Qualifying Transaction.

## 12. INCOME TAXES:

- (a) The Company's provision for income taxes differ from the amounts computed by applying the basic current tax rates to loss for the period before taxes, as shown in the following table:

	2018	2017
Loss before income taxes	(\$ 335,972)	(\$ 23,547)
Expected combined statutory income tax rate	<u>26.5%</u>	<u>26.5%</u>
Income tax benefit at the combined Canadian statutory rate	( 89,033)	( 6,240)
Tax benefits not recognized	<u>89,033</u>	<u>6,240</u>
	<u>\$ -</u>	<u>\$ -</u>

- (b) The tax effects of temporary differences that give rise to deferred income tax assets at June 30, 2018 and June 30, 2017 are as follows:

	2018	2017
Deferred income tax assets:		
Non-capital loss carry forward	\$ 237,343	\$ 513,070
Share issue costs	6,698	7,840
Cumulative eligible capital	2,228	2,395
Less: assets not recognized	<u>( 246,269)</u>	<u>( 523,305)</u>
Deferred income tax assets recognized	<u>\$ -</u>	<u>\$ -</u>

## ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

## 12. INCOME TAXES (continued):

(c) The Company has Canadian non-capital losses of approximately \$895,635 that are available to reduce income otherwise taxable in future years. These losses if not used will expire as follows:

2028	\$	1,689
2029		3,669
2030		52,018
2031		88,379
2032		199,714
2033		38,740
2034		32,468
2035		50,835
2036		45,558
2037		46,593
2038		<u>335,972</u>
	\$	<u>895,635</u>

(d) During 2018, the Company paid \$nil (2017 - \$nil) in respect of income taxes.

## 13. SUBSEQUENT EVENTS:

**Amended and Restated Amalgamation Agreement**

On July 12, 2018, the Company entered into an Amended and Restated Amalgamation Agreement (the "Amalgamation Agreement") to acquire 100% of the issued share capital of Rapid Dose Therapeutics Inc. ("RDT") in a Reverse Take-Over transaction (the "Transaction") payable by the issuance of approximately 57,641,200 common shares of the Company.

## About RDT

RDT is a private Canadian bio-technology company which provides proprietary enhanced drug delivery technologies designed to improve patient outcomes. RDT owns a proprietary oral fast-dissolving drug delivery system, QuickStrip™, which is capable of rapidly releasing into the blood stream a list of pharmaceuticals, emulsified oils and over-the-counter medicines without being degraded or modified by first pass metabolism in the liver. RDT also provides product innovation, production and consultation to the pharmaceutical and healthcare manufacturing industry.

RDT currently has 57,641,200 common shares (each a "RDT Share") and 840,000 warrants (each a "RDT Warrant") outstanding. Each RDT Warrant entitles the holder to acquire one RDT Share at an exercise price of \$0.75 at any time within 5 months after the RDT Shares are listed for trading on the Canadian Securities Exchange ("CSE") or other Canadian stock exchange.

## The Amalgamation Transaction

In connection with the Amalgamation Agreement, the Company will issue, and each holder of RDT Shares will receive, one

common share in exchange for each RDT Share held immediately prior to the amalgamation and the Company will issue, and each holder of the 840,000 outstanding RDT Warrants will receive, one warrant (each a "Company Warrant") in exchange for each RDT

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ACME RESOURCES CORP.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars, Unaudited)

FOR THE NINE MONTH PERIODS ENDED JUNE 30, 2018 AND 2017

13. SUBSEQUENT EVENTS (continued):

The Amalgamation Transaction (continued)

Warrant held immediately prior to the amalgamation, each such Company Warrant having identical terms as the RDT Warrants in respect of exercise price, expiry date and all other material terms and conditions.

On completion of the Transaction, ACME will assume RDT's obligation to pay a corporate finance fee (payable by the issuance of Common Shares) to an arm's length party equal to 7% of the total number of common shares issued and outstanding on completion of the Transaction. The common shares issuable for such fee will be subject to a regulatory hold period expiring four months plus one day after the date on which they are issued.

Closing of the Transaction will be subject to approval by regulatory authorities and compliance with any required governmental and securities regulations. Closing will also be conditional on approval for the listing of the Company's common shares on the CSE. There is no guarantee that the Amalgamation Agreement will close. The Company's shareholders meeting has been called to, among other things: (a) approve the change of the Company's name to "Rapid Dose Therapeutics Corp."; (b) approve entering into and completing the Amalgamation Agreement; and (c) to approve any and all other aspects necessary or advisable for completion of the Transaction and/or other Company business.

The Resulting Issuer

Upon closing of the Transaction, the Company will have approximately 66,310,907 common shares issued and outstanding of which approximately 8% will be held by the existing Company's shareholders, and approximately 85% will be held by the former RDT shareholders. The Company will also have 840,000 Company Warrants outstanding.

On completion of the Transaction, the name of the Company will be changed to "Rapid Dose Therapeutics Corp." or another name acceptable to RDT and the Company.

On completion of the Transaction, 51,806,140 common shares issued by the Company in exchange for RDT Shares (excluding 4,560,000 RDT Shares issued on a recent private placement by RDT at \$0.50 per share for gross proceeds of \$2,280,000) will be placed in escrow for release commencing on the day on which the common shares first start trading on the CSE (the "Escrow Commencement Date") as follows:

- a) 5% (2,590,307 common shares) on the Escrow Commencement Date;
- b) 5% (2,590,307 common shares) 6 months after the Escrow Commencement Date;
- c) 5% (2,590,307 common shares) 12 months after the Escrow Commencement Date;
- d) 5% (2,590,307 common shares) 18 months after the Escrow Commencement Date;
- e) 15% (7,770,921 common shares) 24 months after the Escrow Commencement Date;
- f) 15% (7,770,921 common shares) 30 months after the Escrow Commencement Date; and
- g) 50% (25,903,070 common shares) 36 months after the Escrow Commencement Date.

**APPENDIX “B”**

**Management’s Discussion and Analysis of ACME Resources Corp.  
for the year ended September 30, 2017**

**and**

**Management’s Discussion and Analysis of ACME Resources Corp.  
for the nine-month period ended June 30, 2018**

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

**DATE – January 29, 2018**

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with ACME Resources Corp.'s ("ACME" or the "Company" or the "Corporation") audited financial statements and the accompanying notes for the fiscal year ended September 30, 2017, copies of which are filed on SEDAR website: [www.sedar.com](http://www.sedar.com).

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise stated.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgements of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

**FORWARD LOOKING STATEMENTS**

*This MD&A may include certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These 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 such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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.*

**DESCRIPTION OF THE BUSINESS AND PROPOSED QUALIFYING TRANSACTION**

ACME was incorporated under the *Business Corporations Act* (Ontario) on February 27, 2008 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("Policy 2.4").

On January 28, 2010, the Company received final receipts for a prospectus and thereafter began trading on the TSX Venture Exchange ("TSXV") (Tier 2) as a CPC under the symbol ACY.H; however, as the Company did not complete a Qualifying Transaction within the necessary timeframe, the Company's listing has been transferred to the NEX board of Exchange ("NEX"). As a CPC listed on NEX, the Company continues to be required to comply with all of the requirements and restrictions in Policy 2.4.

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

On October 21, 2013, the Company entered into an amalgamation agreement (the “Agreement”) with Forrester Resources Corp., a private Yukon precious metals exploration and development corporation (“Forrester”) operating in Perú and continually investigating near-term production opportunities within the Americas. Under the terms of the Agreement, Forrester was to amalgamate (the “Transaction” or “Qualifying Transaction”) with a new wholly owned subsidiary of the Company incorporated in the Yukon. Pursuant to the terms of the Transaction, the Company’s shares were to be issued to holders of Forrester shares in exchange for all of the issued and outstanding Forrester shares on the basis of 1.5 of the Company’s shares for each one Forrester share. In addition, Forrester options, warrants and finder’s warrants were to be exchanged for the Company’s options, warrants and finder’s warrants on the same foregoing exchange ratio, with a corresponding adjustment of the exercise price of each such Forrester option and warrant to reflect the exchange ratio.

On June 25, 2014, the Company terminated the proposed Qualifying Transaction with Forrester. Forrester Resources Corp. had advanced \$41,417 to fund corporate costs relevant to the proposed Qualifying Transaction and the ongoing costs related to running a public company; the advances were written-off as failed transaction costs by Forrester and they consider the amounts as settled in full.

As a consequence of the abandonment of the proposed Transaction, the Company’s shares were halted from trading. The Company anticipated they would remain halted until certain documentation could be provided to the TSXV regarding the termination. The Company will continue to identify and evaluate businesses and assets with a view of completing a qualifying transaction.

The Company completed a non-brokered private placement financing which closed on December 11, 2014 at which time the Company issued a total of 1,300,000 Common Shares for gross proceeds of \$65,000. On December 15, 2014 shares of the Company resumed trading with TSXV symbol ACY.H.

The Company completed a non-brokered private placement which closed on November 11, 2015 at which time the Company issued a total of 700,000 Common Shares for gross proceeds of \$35,000.

The Company announced that it entered into a letter of intent dated December 7th, 2015 with Hantian Labs Limited (“Hantian”), a private UK corporation, for a business transaction that will result in a reverse take-over of the Company by Hantian, and the listing or trade of the shares of the resulting issuer on the TSXV (the “LOI”).

The Transaction was subject to TSXV approval and is intended to constitute the Qualifying Transaction of the Company as such term is defined in Policy 2.4. It was intended that the Transaction shall be completed by way of a definitive merger, amalgamation or share exchange agreement, provided however that, by mutual agreement, the parties may revise the structure to comply with all necessary legal and regulatory requirements, to minimize or eliminate any adverse tax consequences or to increase cost effectiveness. The Transaction was intended to result in a reverse take-over of the Company by Hantian’s shareholders. The Transaction would be an Arm’s Length Qualifying Transaction, as defined in the policies of the TSXV and, as such, it was not anticipated that the formal approval of the shareholders of the Company will be required.

The Company and Hantian agreed to use all commercially reasonable efforts to close the Transaction by September 30, 2016. The LOI will terminate in the event the parties fail to enter into a definitive agreement on or prior to January 31, 2016, unless a later date is otherwise mutually agreed to by the parties. Pursuant to the Transaction, shares of the Company will be issued to the holders of Hantian shares in exchange for all of the issued and outstanding Hantian shares on the basis of one ACME share



**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

for each Hantian share (the “Exchange Ratio”).

On January 29, 2016 the Company announced that it had amended its original LOI dated December 7, 2015 with Hantian for a business transaction that will result in a reverse take-over of the Company by Hantian, and the listing or trade of the shares of the resulting issuer on the TSXV (the “First Amendment”). The LOI was originally announced on December 11, 2015.

The Company and Hantian agreed to extend the settlement of a Definitive Agreement until September 30, 2016 and the closing of the Transaction until May 31, 2016. The LOI was to terminate in the event the parties failed to enter into a Definitive Agreement on or prior to January 31, 2016, unless a later date was otherwise mutually agreed to by the parties.

On March 29, 2016, the Company and Hantian agreed to extend the settlement of a Definitive Agreement until July 31, 2016 and the closing of the Transaction until October 31, 2016. As per the First Amendment, the LOI was to terminate in the event the parties failed to enter into a Definitive Agreement on or prior to September 30, 2016, unless a later date was otherwise mutually agreed to by the parties.

On August 18, 2016, the Company announced that its intention to complete a business transaction with Hantian as originally considered in the LOI dated December 7, 2015, had terminated. ACME and Hantian had agreed to the settlement of a Definitive Agreement by July 31, 2016; acceptable terms and conditions relating to a Definitive Agreement could not be negotiated by the parties in that time frame and the LOI was allowed to expire by the parties. The termination fee of \$50,000 was waived by both parties.

**RESULTS OF OPERATIONS AND OVERALL PERFORMANCE**

For the fiscal year ended September 30, 2017, the Company reported a net loss of \$50,079 compared to a loss of \$47,097 during the fiscal year ended September 30, 2016. The operating expenses comprised of corporate development of \$12,435 (2016 - \$7,239), consulting fees of \$11,900 (2016 - \$1,500), professional fees of \$14,294 (2016 - \$23,397), regulatory and filing fees of \$10,960 (2016 - \$14,133) and office, general and administration fees of \$490 (2016 - \$828).

The foregoing costs incurred by the Company primarily relate to fees incurred in connection with running a public company and the Company’s abandoned qualifying transaction.

Since incorporation, the Company has been actively engaged in the identification of target companies for the purposes of completing a qualifying transaction, including the aforementioned negotiations with Hantian.

During the period ended September 30, 2008, the Company issued 1,500,000 common shares at a price of \$0.10 per share for total proceeds of \$150,000 received in cash. In accordance with the requirements of the TSXV these common shares are held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow following issuance of the Final Exchange Bulletin by the TSXV as to completion of the Qualifying Transaction as defined by TSXV policies, and 15% will be released every six months following the initial release over a period of thirty-six months, unless otherwise permitted by the Exchange.

On October 30, 2009, the Company filed its final prospectus for which a receipt was issued dated October 30, 2009.

**ACME RESOURCES CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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On January 28, 2010, the Company completed its initial public offering (“IPO”) through its agent Integral Wealth Securities Limited of 1,351,950 common shares for gross proceeds of \$270,390. The Company paid the agent a cash commission of \$27,039 and an corporate finance fee of \$10,000, reimbursed the agent for legal fees and other direct expenses of \$10,150, and issued Agent’s options to acquire up to 135,195 common shares at \$0.20 per share exercisable until the close of business on the second anniversary of the Company’s listing on the Exchange (January 28, 2010). The Company also incurred, in connection with the IPO, professional fees and filing fees of \$93,200.

The Company granted stock options to directors and officers of the Company to purchase up to 285,194 common shares at a price of \$0.20 per share, exercisable for ten years from the date of grant.

On December 28, 2016, the Company issued 1,899,000 common shares for gross proceeds of \$47,475.

On March 17, 2017 the Company announced an amendment to a proposed non-brokered private-placement offering of Company equity; the original proposed private placement was announced on October 4, 2016. The private placement will comprise an offering of 3,000,000 common shares at a price of \$CDN 0.05 per share for gross proceeds of up to \$CDN 150,000; these proceeds will be used for general working capital purposes while the Company continues to explore options with regard to a Qualifying Transaction.

During the period the TSXV continued a review on the Company’s compliance with certain requirements and restrictions in conjunction with Policy 2.4.

As of the end of the fiscal year ended September 30, 2017, the Company has outstanding common shares of 6,000,950 and stock options of 247,168. During 2012, 750,000 common shares held in escrow were cancelled due to the failure to complete a Qualifying Transaction within the allotted time (per Policy 2.4); there remain 750,000 common shares held in escrow. Also during 2012, 38,026 stock options were cancelled, upon resignation of a member of the Board, and 135,195 Agent’s options expired on January 28, 2012.

**SELECT ANNUAL INFORMATION**

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company’s audited financial information for the year ended September 30, 2017 and 2016

Financial Results	2017	2016
Total revenues	Nil	Nil
Net loss for the year	(\$50,079)	(\$ 47,097)
Basic and diluted net loss per share	(\$ 0.01)	(\$ 0.01)
Total assets	17,064	903
Total long term liabilities	Nil	Nil

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

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**SUMMARY OF QUARTERLY REPORTS**

The Company's operating results for each quarter of the years ended September 30, 2015 and 2016 and the fiscal year ended September 30, 2017 are summarized as follows:

	Dec. 31, 2016 Q1	March 31, 2017 Q2	June 30, 2017 Q3	Sept. 30, 2017 Q4
Revenue	-	-	-	-
Net loss	(\$ 13,090)	(\$ 4,015)	(\$ 6,442)	(\$ 26,532)
Basic and diluted loss per share	(\$ 0.003)	(\$ 0.001)	(\$ 0.001)	(\$ 0.001)

	Dec. 31, 2015 Q1	March 31, 2016 Q2	June 30, 2016 Q3	Sept. 30, 2016 Q4
Revenue	-	-	-	-
Net loss	(\$ 12,026)	(\$ 17,091)	(\$ 1,904)	(\$ 16,076)
Basic and diluted loss per share	(\$ 0.003)	(\$ 0.004)	(\$ 0.001)	(\$ 0.004)

	Dec. 31, 2014 Q1	March 31, 2015 Q2	June 30, 2015 Q3	Sept. 30, 2015 Q4
Revenue	-	-	-	-
Net loss	(\$ 20,741)	(\$ 28,702)	\$8,701	(\$ 11,002)
Basic and diluted loss per share	(\$ 0.008)	(\$ 0.011)	(\$ 0.003)	(\$ 0.004)

**LIQUIDITY**

The Company does not currently have any interest in property and does not generate revenues from operations. The Company has been financed to date through equity financing and it expects that it will be able to do so in the future until it generates cash flows from operations.

As of September 30, 2017, the Company had net working capital deficiency of \$12,775 (2016 – working capital deficiency of \$36,848) and a cash balance of \$17,064 (2016 – cash balance of \$903). The Company's cash position is not sufficient to meet short term obligations, and therefore the Company requires additional funds. The Company relies on private placements for funding.

As of the date hereof, the Company did not have any commitments for capital expenditures, and the Company does not anticipate any such commitments until it consummates a qualifying transaction.

**CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2017, the Company's shareholders' equity was a deficiency of \$12,775 (2016 – deficiency of \$36,848) and it had no outstanding long-term debt. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

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The Company's sole source of capital has been from the issuance of common shares. The net proceeds raised may only be used (with the exception of certain permitted uses of funds by a capital pool company to cover prescribed costs of issuing shares and administrative and general expense – see below) to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets of businesses for future investment, with the exception that the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares, other than Agent Commissions and fees, and general and administrative expense of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the TSXV.

As at September 30, 2017, the Company has exceeded the limit. There are potential ramifications associated with exceeding this limit without relief which will be assessed at the discretion of the TSXV.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements as at September 30, 2017 or as of the date of this report.

**TRANSACTIONS WITH RELATED PARTIES**

The Company's key management personnel has the authority and responsibility for planning, directing and controlling the activities of the Company and consists of its Directors, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Total compensation paid to the Company's key management personnel during the fiscal year ended September 30, 2017 was \$nil (2016 - \$nil). No share based-payments, post-employment or other long-term benefits were incurred with respect to key management personnel in respect of the forgoing periods.

During the fiscal year ended September 30, 2017, an officer of the Company was reimbursed at cost for corporate development costs amounting to \$12,183 (2016 - \$3,500).

**FINANCIAL INSTRUMENTS**

Financial instruments include cash and accounts payable and accrued liabilities. The estimated fair value of these financial instruments approximates their carrying values because of the short term to maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. In regard to liquidity risk, the Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

The Company currently has current liabilities of \$29,839 (2016 - \$37,751) and current assets of \$17,064 (2016 - \$903). The Company has a working capital deficiency of \$12,775 (2016 – working capital deficiency of \$36,848). The ability of the Company to survive is dependent on its ability to secure additional equity or other financings.

**ACME RESOURCES CORP.**  
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**CRITICAL ACCOUNTING ESTIMATES**

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and form the basis for the following discussion and analysis of critical accounting policies and estimates. The Company makes estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities during the course of preparing these financial statements.

Management has made a number of significant estimates and valuation assumptions, including the stock option valuations, going concern assumption, deferred income tax recognition and disclosures of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions are based on present conditions and management's planned course of action as well as assumptions about future business and economic conditions. Should the underlying estimates change, the recorded amounts could change by a material amount.

For a detailed summary of the Company's significant accounting policies, the reader is directed to Note 3 of the Notes to the audited Financial Statements for the fiscal year ended September 30, 2017 available on SEDAR at [www.sedar.com](http://www.sedar.com).

**ACCOUNTING AND REPORTING CHANGES**

Effective for annual periods beginning on or after January 1, 2018

IFRS 9, Financial Instruments – Classification and Measurement, is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

The Company has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

**RISKS AND UNCERTAINTIES**

The Corporation has no active business or assets other than cash, accounts receivable and deferred transaction costs. The Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

The Company competes with many Capital Pool Companies that are seeking suitable Qualifying Transactions. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Company.

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Any forward-looking information in this MD&A 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.

**OTHER MATTERS**

**Legal proceedings**

There are no ongoing legal proceedings of any kind initiated by the Company or by third parties against the Company.

**Contingent liabilities**

At the date of MD&A, management was unaware of any outstanding contingent liability relating to the Company's activities.

**Disclosure Controls and Procedures**

The CEO and CFO are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action.

The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of accounting personnel, and candid discussion of those risks with the audit committee.

**Business Risks**

The Company has a limited history of operations and has not yet entered into an agreement in principle to acquire or complete a Qualifying Transaction. The Company is currently in the process of identifying and evaluating opportunities and until such a time as it enters into an agreement to complete a qualifying transaction, there is no guarantee such a transaction will be completed. External financing, primarily through the issuance of common shares will be required to fund the Company's activities. There can be no assurance that the Company will be able to obtain adequate financing. The Securities of the Company

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should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities:

Dilution: There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

Revenues and Dividends: The Company has no revenues and does not expect to have any revenues in the foreseeable future. In the event that the Company generates any meaningful revenues in the future, then the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

### **OUTLOOK**

The Company's primary focus for the foreseeable future will be completing its identified qualifying transaction.

### **APPROVAL**

The Board of Directors of the Company has approved the disclosures contained in this MD&A upon recommendation of the Audit Committee.

### **EVENTS AFTER THE REPORTING DATE AND COMMITMENTS**

The Company continues to review its compliance with certain requirements and restrictions in conjunction with Policy 2.4.

The Company arranged a non-brokered private-placement offering of Company equity. This private placement was to comprise an offering of up to 7,000,000 common shares at a price of \$CDN 0.025 (2½¢) per share for gross proceeds of up to \$CDN 175,000. The first tranche of 3,099,000 shares for gross proceeds of \$CDN 77,475 was distributed in November 2017. A second tranche of 2,480,000 shares for gross proceeds of \$62,000 was distributed in January 2018. All securities issued in connection with the financing are subject to a statutory four month plus one day hold period from the date of issuance.

The proceeds received from the private-placement offering is being used for general working capital purposes while the Company continues to explore options business opportunities and the acquisition of a significant asset for the Company (this acquisition could be considered to be a Qualifying Transaction as such term is defined in Policy 2.4).

The Company held its Annual and Special Meeting on the 24<sup>th</sup> of October, 2017. At that Meeting the Company received a majority of shareholder support to approve 1) the election of Directors; 2) the Stock Option Plan; 3) the voluntary delisting from the TSXV for the purpose of seeking a listing on an alternative stock exchange; 4) to consolidate the common shares of the Company on an up to 1:5 (new:old) basis; and 5) to authorize management to change the name of the consolidated Company.

A total of 38,026 options, originally granted to a former director, terminated in November 2017.

**ACME RESOURCES CORP.**  
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**DIRECTORS AND OFFICERS**

Paul R. Ankcorn, *President, Chief Executive Officer and Director*  
Brian M. Cloney, *Chief Financial Officer, Corporate Secretary and Director*  
Brian Howlett, *Director*  
Harry Burgess, *Director*  
Kees C. Van Winters, *Director*

**DISCLOSURE OF OUTSTANDING SECURITIES AS AT JANUARY 29, 2018**

Outstanding common shares:	6,000,950
Share purchase and finders warrants:	nil
Stock options:	209,142, exercisable at \$0.20 per option and expiring January 28, 2020
Fully diluted:	6,210,092

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under Multilateral Instrument ("MI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in MI 52-109.

**OTHER REQUIREMENTS**

Additional disclosure of the Company's material change reports, new release and other information can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).



**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**DATE – August 29, 2018**

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with ACME Resources Corp.'s ("ACME" or the "Company" or the "Corporation") interim (unaudited) financial statements and the accompanying notes for the nine-month period ended June 30, 2018, copies of which are filed on SEDAR website: [www.sedar.com](http://www.sedar.com).

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise stated.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgements of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

**FORWARD LOOKING STATEMENTS**

*This MD&A may include certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These 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 such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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.*

**DESCRIPTION OF THE BUSINESS**

ACME was incorporated under the *Business Corporations Act* (Ontario) on February 27, 2008 and is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV" or "Exchange").

On January 28, 2010, the Company received final receipts for a prospectus and thereafter began trading on the TSXV (Tier 2) as a CPC under the symbol ACY.P; however, as the Company did not complete a Qualifying Transaction within the necessary timeframe, the Company's listing was transferred to the NEX board of Exchange ("NEX") in 2012 and henceforth traded under the symbol ACY.H. As a CPC listed on NEX, the Company continued to be required to comply with all of the requirements and restrictions in Exchange Policy 2.4.

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**DESCRIPTION OF THE BUSINESS (continued)**

The Company held an Annual and Special Meeting on the 24<sup>th</sup> of October, 2017 (the “**Special Meeting**”). At the Special Meeting the Company received a requisite majority of its shareholders approval to proceed with a voluntary delisting from the TSXV for the purpose of seeking a listing on an alternative stock exchange.

Also at the Special Meeting, the Company received the requisite majority of its shareholders approval to proceed with the consolidation of its common shares on a 1:5 (new:old) basis (the “**Consolidation**”). Concurrent with the Consolidation, the Company would also cancel 209,142 (41,828 post-consolidation) options and 750,000 (150,000 post-consolidation) escrowed founders’ shares. The cancellation of the escrowed founders’ shares is pursuant to Policy 2.4 of the TSXV, as the Company was originally listed as a CPC on the TSXV. The record date for the consolidation became February 5, 2018. A name change for the consolidated Company is pending; the authority for management to change the name of the Company was approved by a majority of its shareholders at the Special Meeting.

Upon the Consolidation becoming effective on February 16, 2018, the 10,080,950 issued and outstanding common shares as at the date thereof would be consolidated into 2,016,190 issued and outstanding common shares. In connection with the Consolidation, the Company sent letters of transmittal to holders of common shares for use in transmitting their share certificates to the Depository, Capital Transfer Agency ULC, in exchange for new certificates representing the number of post-consolidated common shares to which such shareholder is entitled as a result of the Consolidation. No delivery of a new share certificate to a shareholder will be made until the shareholder has surrendered his, her or its current issued share certificates. Until surrendered, each share certificate formerly representing old common shares will be deemed for all purposes to represent the number of post-consolidated common shares to which such holder is entitled as a result of the Consolidation.

The Company completed a shares-for-debt transaction (the “**Debt Transaction**”) whereby ACME issued 1,400,000 post-consolidation (7,000,000 pre-consolidation) common shares (of which 575,000 shares were issued to insiders of the Company) at a deemed price of \$0.125 per common share (\$0.025 or 2½¢ per pre-consolidated share) in connection with the repayment of \$175,000 in debt. The Debt Transaction was undertaken by ACME in order to conserve capital and improve the Company’s balance sheet. The common shares issued in connection with the Debt Transaction are be subject to a statutory four month plus one day hold period.

The TSXV/NEX suspended the Company from trading on February 22, 2018. In late March, the Company was advised by the TSXV that due to the Company’s breach of Exchange policies and its Listings Agreement, the TSXV initiated an involuntary delist review and proceeded to delist the shares of the Company for failure to comply with Exchange Requirements to wit:

- 1) Pursuant to Policy 5.8 – Issuer Names, Issuer Name Changes, Share Consolidations and Splits, the Company failed to file and obtain TSXV approval prior to effecting the 5 old for 1 new share consolidation.

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**DESCRIPTION OF THE BUSINESS (continued)**

- 2) Prior to the completion of the Consolidation, the Company completed non-brokered private placement offerings of Company equity pursuant to Policy 4.4 – Private Placements without obtaining conditional or final acceptance. The private placements comprised an offering of 5,579,000 common shares at a price of \$0.025 (2½¢) per common share for gross proceeds of \$139,475. The proposed price of \$0.025 was less than the minimum price permitted under Exchange Policy and was previously disallowed.
- 3) The Company completed a shares-for-debt transaction pursuant to Policy 4.3 – Shares for Debt whereby the Company issued 7,000,000 common per common share at \$0.025 per common share in connection with the settlement of \$175,000 debt. The price per share was less than the minimum price permitted under Exchange Policy. The nature of the accrued debt contravenes the “Prohibited Payments and Use of Proceed” under Policy 2.4.
- 4) Subsequent to the completion of the Consolidation, the Company also cancelled the remaining 150,000 escrowed founders’ shares (750,000 on a pre-consolidation basis). The cancellation of the escrowed founders’ shares was undertaken pursuant to Policy 2.4 of the TSXV. The first half of the original total of 300,000 (1,500,000 on a pre-consolidation basis) escrowed founders’ shares had already been cancelled in fiscal year 2012 due to the Company failing to complete a Qualifying Transaction within the time allotted per Policy 2.4. At this time the Company was also transferred to the NEX Tier of the TSXV.
- 5) At the Shareholders Meeting, Mr. Brian Howlett was elected as a new Director of the Company. His election has previously been noted in publicly filed documents but had not been disclosed in a press release issued by the Company. The Company failed to comply with Policy 2.4 in connection with the change in the board.

The Company was delisted from the TSXV at the end of business on March 28, 2018.

On March 29, 2018 the Company announced that it had closed a non-brokered private-placement offering of 2,006,000 common shares issued at a price of \$0.25 per share (the “**Offering**”) for gross proceeds of \$501,500. All securities issued in connection with the Offering are subject to a statutory four month plus one day hold period.

The proceeds received from the Offering were for general working capital purposes while the Company continued its restructuring and works toward completing a Definitive Agreement with RDT as previously reported.

**PROPOSED TRANSACTION**

On July 12, 2018 the Corporation announced it had entered into an Amended and Restated Amalgamation Agreement (the “**Amalgamation Agreement**”) to acquire 100% of the issued share capital of Rapid Dose Therapeutics Inc. (“**RDT**”) in a Reverse Take-Over transaction (the “**Transaction**”) payable by the issuance of approximately 57,641,200 common shares of ACME (each a “**Common Share**”). This agreement updates the original Definitive Agreement announced in the Company’s press release of April 9, 2018.

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**PROPOSED TRANSACTION (continued)**

In connection with the Amalgamation Agreement, the Company will issue, and each holder of RDT Shares will receive, one Common Share in exchange for each RDT Share held immediately prior to the amalgamation and the Company will issue, and each holder of the 840,000 outstanding RDT Warrants will receive, one warrant (each a “**Company Warrant**”) in exchange for each RDT Warrant held immediately prior to the amalgamation, each such Company Warrant having identical terms as the RDT Warrants in respect of exercise price, expiry date and all other material terms and conditions. The Amalgamation Agreement is filed on SEDAR.

On completion of the Transaction, ACME will assume RDT’s obligation to pay a corporate finance fee (payable by the issuance of Common Shares) to an arm’s length party equal to 7% of the total number of Common Shares issued and outstanding on completion of the Transaction. The Common Shares issuable for such fee will be subject to a regulatory hold period expiring four months plus one day after the date on which they are issued.

Closing of the Transaction will be subject to approval by regulatory authorities and compliance with any required governmental and securities regulations. Closing will also be conditional on approval for listing of the Common Shares on the CSE. There is no guarantee that the Amalgamation Agreement will close. An Annual and Special Meeting of the shareholders of the Company has been called to be held on August 30, 2018 to: a) approve the change of the Company’s name to “Rapid Dose Therapeutics Corp.”; b) approve entering into and completing the Amalgamation Agreement; and c) to approve any and all other aspects necessary or advisable for completion of the Transaction and/or other Company business.

Upon closing of the Transaction, the Company will have approximately 66,310,907 Common Shares issued and outstanding of which approximately 8% will be held by the existing ACME shareholders, and approximately 85% will be held by the former RDT shareholders. The Company will also have 840,000 Company Warrants outstanding.

On completion of the Transaction, the name of the Company will be changed to “Rapid Dose Therapeutics Corp.” or another name acceptable to RDT and the Company. As well, management and the board of directors of the Company will transition to better reflect RDT’s management and board as follows:

Mark Upsdell	President, Chief Executive Officer and a director
Jason Lewis	Senior Vice-President Business Development and a director
Lino Fera	Chief Financial Officer
Brian Howlett	Director
Kenneth Fox	Director

On completion of the Transaction, 51,806,140 Common Shares issued by the Company in exchange for RDT Shares (excluding 4,560,000 RDT Shares issued on a recent private placement by RDT at \$0.50 per share for gross proceeds of \$2,280,000) will be placed in escrow for release commencing on the day on which the Common Shares first start trading on the CSE (the “**Escrow Commencement Date**”) as follows:

- a) 5% (2,590,307 Common Shares) on the Escrow Commencement Date;
- b) 5% (2,590,307 Common Shares) 6 months after the Escrow Commencement Date;
- c) 5% (2,590,307 Common Shares) 12 months after the Escrow Commencement Date;

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**PROPOSED TRANSACTION (continued)**

- d) 5% (2,590,307 Common Shares) 18 months after the Escrow Commencement Date;
- e) 15% (7,770,921 Common Shares) 24 months after the Escrow Commencement Date;

On July 16, 2018 the Company announced that it had filed a non-offering preliminary prospectus with the Ontario Securities Commission (“OSC”). The non-offering preliminary prospectus (received on July 13, 2018) was filed for the purpose of allowing the Company to comply with *Policy 2 – Qualifications for Listing* of the Canadian Securities Exchange (“CSE”) in order for the Company to meet one of the eligibility requirements for the listing of ACME's common shares (the “**Common Shares**”) on the CSE. ACME intends to apply for a listing of its Common Shares on the CSE; however, as of the date of this report, the Company has not applied for nor received conditional approval from the CSE for such a listing.

No securities are being sold pursuant to the prospectus. No proceeds will be raised and all expenses incurred in connection with the preparation and filing of the prospectus will be paid by the Company from its general funds.

The prospectus includes current information about the Company and its proposed annual and special shareholders meeting to be held on August 30, 2018, as well as information about its proposed reverse take-over transaction with RDT as detailed above.

The First Comment Letter regarding the preliminary prospectus from the OSC was received by counsel to the Company on July 27, 2018. Items in that Letter are being addressed by the Company.

The Notice of Meeting and the Management Information Circular for the Annual and Special Meeting of the Company scheduled to be held on August 30, 2018 were mailed on August 10, 2018.

The Company and RDT, in a joint news release on August 13, 2018, reported that RDT is continuing to further its scientific research agreement with McMaster University, Hamilton, Ontario, Canada. The scientific research is being conducted by the Adronov Research Group of the Department of Chemistry and Chemical Biology (the “**Adronov Group**”). The end result of the continuing research by the Adronov Group will allow RDT to critically evaluate many more pharmaceutical and nutraceutical products for QuickStrip™ oral sublingual delivery, which could dramatically expand RDT's global market presence.

On June 6, 2018 Messrs. Paul R. Ankorn, Brian M. Cloney and Harry Burgess resigned as directors of the Company. Mr. Ankorn and Mr. Cloney also resigned as officers of the Company at the same time. Mr. John M. Siriunas was appointed as a director and as Chief Executive Officer and President while Mr. Miles Nagamatsu and Mr. Jorge Estepa were appointed as Chief Financial Officer and Corporate Secretary, respectively. Mr. Ankorn remains as President of Subco.

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**RESULTS OF OPERATIONS AND OVERALL PERFORMANCE**

For the nine-month period ended June 30, 2018, the Company reported a net loss of \$335,972 compared to a loss of \$23,547 during the nine-month period ended June 30, 2017. The operating expenses comprised of corporate development of \$12,991 (2017 - \$7,104), consulting fees of \$207,149 (2017 - \$nil), professional fees of \$30,222 (2017 - \$4,212), regulatory and filing fees of \$33,388 (2017 - \$6,501), office, general and administration fees of \$51,837 (2017 - \$5,500) and bank charges of \$385 (2017 - \$230).

The foregoing costs incurred by the Company primarily relate to fees incurred in connection with the operation of a reporting issuer. Consulting fees were higher for the period as a result of management's effort to restructure the Company and complete a business transaction with RDT.

Since incorporation, the Company has been actively engaged in the identification of target companies for the purposes of completing a qualifying transaction, including the aforementioned negotiations with Forrester, Hantian and RDT.

During the period ended September 30, 2008, the Company issued 1,500,000 common shares at a price of \$0.10 per share for total proceeds of \$150,000 received in cash. In accordance with the requirements of the Exchange these common shares are held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow following issuance of the Final Exchange Bulletin by the Exchange as to completion of the Qualifying Transaction as defined by Exchange policies, and 15% will be released every six months following the initial release over a period of thirty-six months, unless otherwise permitted by the Exchange.

On December 28, 2016, the company issued 1,899,000 pre-consolidation common shares for gross proceeds of \$47,475.

The TSXV commenced a review on the Company's compliance with certain requirements and restrictions in conjunction with Policy 2.4 of the TSX Venture Exchange.

The Company arranged a non-brokered private-placement offering of Company equity. This private placement was to comprise an offering of up to 7,000,000 common shares at a price of \$0.025 (2½¢) per share for gross proceeds of up to \$175,000. The first tranche of 3,099,000 shares for gross proceeds of \$77,475 was distributed in November 2017. All securities issued in connection with the financing were subject to a statutory four month plus one day hold period from the date of issuance. It was deemed critical by management to execute this private placement at a price per share less than the TSXV would normally allow due to extenuating circumstances: the Company had no further funds and its officers and directors could no longer personally pay for the expenses necessary to maintain the Company's status as a reporting issuer, including such payments as the preparation and filing of quarterly financial statements and year-end audited financial statements, as well as paying TSXV and transfer agent fees.

The proceeds received from the private-placement offering were used for general working capital purposes while the Company continued to explore options business opportunities and the acquisition of a significant asset for the Company (this acquisition could be considered to be a Qualifying Transaction as such term is defined in Policy 2.4).

**ACME RESOURCES CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**RESULTS OF OPERATIONS AND OVERALL PERFORMANCE (continued)**

A total of 38,026 options, originally granted to a former director, terminated in November 2017. The remaining options outstanding at that time (209,142) were all subsequently cancelled by the Company.

As of the end of the nine-month period ended June 30, 2018, the Company had outstanding common shares of 5,272,190 and nil stock options and warrants.

**SUMMARY OF QUARTERLY REPORTS**

The Company's operating results for the previous two years (previous seven quarters and the nine-month period ended June 30, 2018) are summarized as follows:

	Dec. 31, 2017 Q1	March 31, 2018 Q2	June 30, 2018 Q3
Revenue	-	-	-
Net loss	(\$ 19,444)	(\$ 232,210)	(\$ 84,319)
Basic and diluted loss per share	(\$ 0.018)	(\$ 0.070)	(\$ 0.016)

	Dec. 31, 2016 Q1	March 31, 2017 Q2	June 30, 2017 Q3	Sept. 30, 2017 Q4
Revenue	-	-	-	-
Net loss	(\$ 13,090)	(\$ 4,015)	(\$ 6,442)	(\$ 26,532)
Basic and diluted loss per share	(\$ 0.016)	(\$ 0.003)	(\$ 0.005)	(\$ 0.024)

	Sept. 30, 2016 Q4
Revenue	-
Net loss	(\$ 16,076)
Basic and diluted loss per share	(\$ 0.020)

**LIQUIDITY**

The Company does not currently have any interest in property and does not generate revenues from operations. The Company has been financed to date through equity financing and it expects that it will be able to do so in the future until it generates cash flows from operations.

As of June 30, 2018, the Company had net working capital surplus of \$385,885 (June 30, 2017 – working capital deficiency of \$16,242) and a cash balance of \$401,296 (June 30, 2017 – \$1,429). The Company's cash position is sufficient to meet short term obligations. The Company may require additional funds to complete its currently anticipated business transaction. The Company currently relies on private placements for funding.

As of the date hereof, the Company did not have any commitments for capital expenditures, and the Company does not anticipate any such commitments until it consummates its business transaction.

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at June 30, 2018, the Company's shareholders' equity was a surplus of \$385,885 (June 30, 2017 – deficiency of \$16,243) and it had no outstanding long-term debt. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company's sole source of capital has been from the issuance of common shares. The net proceeds raised may only be used (with the exception of certain permitted uses of funds by a capital pool company to cover prescribed costs of issuing shares and administrative and general expense – see below) to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets of businesses for future investment, with the exception that the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares, other than Agent Commissions and fees, and general and administrative expense of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. The Company has exceeded the limit. There are potential ramifications associated with exceeding this limit without relief which may be assessed at the discretion of the Exchange. As previously noted, the Company was delisted from the TSXV on March 28, 2018 and is pursuing a listing on an alternate exchange.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements as at June 30, 2018 or as of the date of this report.

**TRANSACTIONS WITH RELATED PARTIES**

The Company's key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company and consists of its Directors, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Total compensation paid to the Company's key management personnel during the nine-month period ended June 30, 2018 was \$60,350 (2017 - \$nil) for the CEO. During the nine-month period ended June 30, 2018 directors fees in the amount of \$84,375 (2017 \$nil) were paid. No share based-payments, post-employment or other long-term benefits were incurred with respect to key management personnel in respect of the forgoing periods.

**FINANCIAL INSTRUMENTS**

Financial instruments include cash and accounts payable and accrued liabilities. The estimated fair value of these financial instruments approximates their carrying values because of the short term to maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. In regards to liquidity risk, the Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.



**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**FINANCIAL INSTRUMENTS (continued)**

The Company currently has current liabilities of \$111,443 (September 30, 2017 - \$29,839) and current assets of \$497,328 (September 30, 2017 - \$17,064). The Company has a working capital surplus of \$385,885 (September 30, 2017 – working capital deficiency of \$12,775). The ability of the Company to survive is dependent on its ability to secure additional equity or other financings.

**CRITICAL ACCOUNTING ESTIMATES**

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and form the basis for the following discussion and analysis of critical accounting policies and estimates. The Company makes estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities during the course of preparing these financial statements.

Management has made a number of significant estimates and valuation assumptions, including the stock option valuations, going concern assumption, deferred income tax recognition and disclosures of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions are based on present conditions and management's planned course of action as well as assumptions about future business and economic conditions. Should the underlying estimates change, the recorded amounts could change by a material amount.

For a detailed summary of the Company's significant accounting policies, the reader is directed to Note 3 of the Notes to the audited Financial Statements for the nine-month period ended June 30, 2018 available on SEDAR at [www.sedar.com](http://www.sedar.com).

**ACCOUNTING AND REPORTING CHANGES**

**Effective for annual periods beginning on or after January 1, 2018**

IFRS 9, Financial Instruments – Classification and Measurement, is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

The Company has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

**RISKS AND UNCERTAINTIES**

The Corporation has no active business or assets other than cash, accounts receivable and deferred transaction costs. The Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**RISKS AND UNCERTAINTIES (continued)**

The Company competes with many Capital Pool Companies that are seeking suitable Qualifying Transactions. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Company.

Any forward-looking information in this MD&A 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.

**OTHER MATTERS**

**Legal proceedings**

There are no ongoing legal proceedings of any kind initiated by the Company or by third parties against the Company.

**Contingent liabilities**

At the date of MD&A, management was unaware of any outstanding contingent liability relating to the Company's activities.

**Disclosure Controls and Procedures**

The Chief Executive Officer and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action.

The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of accounting personnel, and candid discussion of those risks with the audit committee.

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**OTHER MATTERS (continued)**

**Business Risks**

The Company has a limited history of operations and has not yet entered into an agreement in principle to acquire or complete a qualifying transaction. The Company is currently in the process of identifying and evaluating opportunities and until such a time as it enters into an agreement to complete a qualifying transaction, there is no guarantee such a transaction will be completed. External financing, primarily through the issuance of common shares will be required to fund the Company's activities. There can be no assurance that the Company will be able to obtain adequate financing. The Securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities:

Dilution: There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

Revenues and Dividends: The Company has no revenues and does not expect to have any revenues in the foreseeable future. In the event that the Company generates any meaningful revenues in the future, then the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

**OUTLOOK**

The Company's primary focus for the foreseeable future will be completing its identified business transaction.

**APPROVAL**

The Board of Directors of the Company has approved the disclosures contained in this MD&A upon recommendation of the Audit Committee.

**DIRECTORS AND OFFICERS**

John M. Siriunas, *President, Chief Executive Officer and Director*  
Miles Nagamatsu, *Chief Financial Officer*  
Jorge Estepa, *Corporate Secretary*  
Brian M. Howlett, *Director*  
Kees C. Van Winters, *Director*

**DISCLOSURE OF OUTSTANDING SECURITIES AS AT AUGUST 29, 2018**

Outstanding common shares:	5,272,190
Share purchase and finders warrants:	nil
Stock options:	nil
Fully diluted:	5,272,190

**ACME RESOURCES CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2018**

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under Multilateral Instrument ("MI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in MI 52-109.

**OTHER REQUIREMENTS**

Additional disclosure of the Company's material change reports, new release and other information can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).

**APPENDIX “C”**

**Amalgamation Agreement**

**AMENDED AND RESTATED AMALGAMATION AGREEMENT**

**AMONG:**

**ACME RESOURCES CORP.**

**AND**

**RAPID DOSE THERAPEUTICS INC.**

**AND**

**1163926 BC LTD.**

**Dated as of July 11, 2018**

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## **AMENDED AND RESTATED AMALGAMATION AGREEMENT**

**THIS AMENDED AND RESTATED AMALGAMATION AGREEMENT** is made and entered into as of July 11, 2018,

A M O N G:

**ACME RESOURCES CORP.,**

a body corporate existing under the laws of the Province of Ontario with its head office in the City of Toronto, in the Province of Ontario (hereinafter called "ACME")

AND:

**RAPID DOSE THERAPEUTICS INC.,**

a body corporate existing under the laws of the Province of British Columbia with its head office in the City of Burlington, in the Province of Ontario (hereinafter called "RDT")

AND:

**1163926 BC LTD.,**

a body corporate existing under the laws of the Province of British Columbia with its head office in the City of Toronto, in the Province of Ontario (hereinafter called "AcquisitionCo")

### **WHEREAS**

- A. The parties hereto acknowledge that they entered into an Amalgamation Agreement, dated as at April 6, 2018 (the "Original Agreement");
- B. The parties hereto acknowledge that they amended the Original Agreement by an Agreement to Amend the Amalgamation Agreement executed as at May 15, 2018 (the "Amending Agreement");
- C. The Parties have agreed to amend and restate the terms of the Original Agreement as amended by the Amending Agreement on the terms and conditions contained in this Agreement, among other things, in order to (i) extend the date of shareholder meetings, (ii) amend the names of the first directors of Amalco, (iii) update the maximum number of issued and shares, (iv) make certain housekeeping changes, and (v) memorialize the rights and obligations of the parties in one document.
- D. This Agreement shall supersede and replace in its entirety the Original Agreement amended by the Amending Agreement.

- E. The parties hereto seek to further amend the Amalgamation Agreement on the terms and subject to the conditions set forth herein.
- F. Upon the terms and subject to the conditions set out in this Agreement, the Parties hereto agreed to effect a business combination transaction whereby, RDT and AcquisitionCo shall amalgamate and continue as one corporation in accordance with the terms and conditions hereof;
- G. AcquisitionCo is a wholly owned subsidiary of ACME and has not carried on active business and ACME desires that AcquisitionCo amalgamate with RDT in accordance with the terms and conditions hereof;
- H. the ACME Board (as herein defined) has unanimously: (i) determined that the Amalgamation (as herein defined) is in the best interests of the ACME Shareholders (as herein defined); (ii) approved this Agreement and the transactions contemplated thereby; and (iii) determined to recommend that the ACME Shareholders vote in favour of the Amalgamation in the event that the approval of the ACME Shareholders is required under the rules and policies of the Exchange (as herein defined);
- I. the RDT Board (as herein defined) has unanimously: (i) determined that the Amalgamation is in the best interests of the RDT Shareholders (as herein defined); (ii) approved this Agreement and the transactions contemplated thereby; and (iii) determined to recommend that the RDT Shareholders vote in favour of the Amalgamation in the event that the approval of the RDT Shareholders is required under applicable corporate law;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the respective covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto covenant and agree as follows:

## **ARTICLE 1 - INTERPRETATION**

### **1.1 Definitions**

In this Agreement, including the recitals hereto, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively:

“**ACME**” means ACME RESOURCES CORP.;

“**ACME Board**” means the board of directors of ACME as it is constituted from time to time;

“**ACME Board Resolution**” means the resolution of ACME’s Board of Directors;

“**ACME Dissent Rights**” means the rights of dissent in respect of the ACME Shareholders provided pursuant to the OBCA;

“**ACME Dissenting Shareholder**” means a ACME Shareholder, who has sent to ACME a written objection and a demand for payment within the time limits and in the manner prescribed by Section 238 of the OBCA with respect to such holder’s ACME Shares;

“**ACME Financial Statements**” means the audited financial statements of ACME for the year ended September 30, 2017 and the unaudited interim financial statements of ACME for the period ended March 31, 2018, in each case, together with the notes thereto and in the case of the audited financial statements, the auditors’ report thereon;

“**ACME Governing Documents**” means the constating documents and the by-laws of ACME;

“**ACME Shareholders**” means the holders of ACME Shares and “**ACME Shareholder**” means any one of them;

“**ACME Shares**” means the common shares in the capital of ACME;

“**Acquisition Proposal**” has the meaning ascribed thereto in Section 9.6(b)(i);

“**AcquisitionCo**” means 1163926 BC LTD.;

“**AcquisitionCo Shares**” means the common shares in the capital of AcquisitionCo;

“**Agreement Date**” means the date hereof;

“**Agreement**”, “**this Agreement**”, “**herein**”, “**hereto**”, and “**hereof**” and similar expressions refer to this AMENDED AND RESTATED AMALGAMATION AGREEMENT, as the same may be amended or supplemented from time to time;

“**Amalco**” means the continuing corporation resulting from the Amalgamation;

“**Amalco Shares**” means common shares in the capital of Amalco;

“**Amalgamating Corporations**” means, collectively, AcquisitionCo and RDT;

“**Amalgamation**” means the amalgamation of AcquisitionCo and RDT contemplated by this Agreement;

“**Articles of Amalgamation**” means the articles of Amalco;

“**Assessment**” has the meaning ascribed thereto in Subsection 7.1(n);

“**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002 C. 57 as now in effect and as it may be amended from time to time prior to the Effective Date;

“**Business Day**” means any day other than a Saturday, a Sunday or a statutory or civic holiday in Burlington, Ontario or Vancouver, British Columbia;

“**Certificate of Amalgamation**” means a certificate of amalgamation issued by the Registrar under the BCBCA giving effect to the Amalgamation;

“**Closing**” has the meaning ascribed to such terms in Section 13.3;

“**Corporate Laws**” means all applicable corporate laws, including those set forth in the BCBCA or the OBCA, as applicable;

“**Debt**” means the sum of all the principal indebtedness of ACME or RDT, as the case may be, owing to any Person, together with any accrued and unpaid interest thereon;

“**Depository**” means Capital Transfer Agency ULC or such other depository as may be designated for the purpose of receiving the deposit of certificates representing RDT Shares to be exchanged for ACME Shares pursuant to the terms of the Amalgamation;

“**Effective Date**” means the date shown on the Certificate of Amalgamation;

“**Effective Time**” means 12:01 a.m. (Burlington time) on the Effective Date;

“**Employee Amounts**” means: (i) any obligations or liabilities of ACME or RDT, as the case may be, to pay any amount to its officers, directors, employees and consultants, other than for salary and directors fees in the ordinary course in each case in amounts consistent with historic practice; and (ii) obligations or liabilities in respect of insurance or indemnification contemplated by this Agreement or arising in the ordinary course of business and, without limiting the generality of the foregoing, Employee Amounts shall include the obligations of either ACME or RDT, as the case may be, to its officers, employees and consultants for (a) severance or termination payments on or in connection with a termination of employment or a change of control; (b) pursuant to any written agreements or a resolution of the board; (c) pension plans; (d) retention or other policies; or (e) otherwise in accordance with applicable Laws;

“**Escrow Commencement Date**” means the first day of trading of the ACME Shares on the Exchange;

“**Exchange**” means the Canadian Securities Exchange, operated by CNSX Markets Inc.;

“**Exchange Ratio**” has the meaning ascribed thereto in Subsection 2.4(k)(i);

“**Going Public Transaction Proposal**” has the meaning ascribed thereto in Section 8.7(b)(i);

**“Governmental Entity”** means any: (i) national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

**“Government Authority”** has the meaning ascribed thereto in Subsection 5.11(e);

**“IFRS”** means International Financial Reporting Standards as prescribed by the Canadian Institute of Chartered Professional Accountants;

**“Laws”** means all statutes, regulations, statutory rules, orders, judgements, decrees and terms and conditions of any grant of approval, permission, authority, permit or license of any court, Governmental Entity, statutory body or self-regulatory authority and the term “applicable” with respect of such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

**“Material Adverse Change”** means any change (or any condition, event or development involving a prospective change) in the business, operations, results of operations, assets, capitalization, condition (financial or otherwise), licenses, permits, leases, concessions, rights, liabilities (absolute, accrued, contingent or otherwise), prospects or privileges, whether contractual or otherwise, of RDT or ACME, as the case may be, which is, or could reasonably be expected to be, materially adverse to the business or value of RDT or ACME, as the case may be, considered together with the respective RDT Subsidiaries and the

**“Material Adverse Effect”** in relation to any fact, transaction, occurrence, event or change, means an effect that is or would reasonably be expected to be materially adverse to the condition (financial or otherwise), operations, assets, capitalization, liabilities (absolute, accrued, contingent or otherwise), results of operation or business or value of RDT or ACME, as the case may be, considered together with the respective RDT Subsidiaries on a consolidated basis as a whole, or that would prevent or materially delay completion of the Amalgamation and all other transactions contemplated in accordance with this Agreement, provided that a Material Adverse Effect shall not include a material adverse effect that relates to or arises out of: (i) a matter that has been publicly disclosed or otherwise disclosed in writing to RDT or ACME, as applicable, prior to the Agreement Date; (ii) conditions affecting the economy as a whole; or (iii) any change in the financial markets that impacts the investment industry in Canada as a whole;

**“material”** means, where used in relation to RDT or ACME, as the case may be, except where the context otherwise requires, a fact, asset, liability, transaction or circumstance concerning the business, assets, rights, liabilities (absolute, accrued, contingent or

otherwise), capitalization, operations, results of operations, prospects or condition (financial or otherwise) of RDT or ACME, as the case may be, considered as a whole, that: (i) would be reasonably likely to have a significant effect on the market price or value of the RDT Shares or ACME Shares, as the case may be; or (ii) that would prevent or materially delay completion of the Amalgamation in accordance with this Agreement;

“**OBCA**” means the *Business Corporations Act*, R.S.O. 1990, c. B.16, as now in effect and as it may be amended from time to time prior to the Effective Date;

“**Outside Date**” means October 31, 2018, or such other dates as the parties may agree;

“**Parties**” means ACME, AcquisitionCo and RDT, and “**Party**” means any one of them;

“**Person**” includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

“**Public Offering**” has the meaning ascribed thereto in Section 8.7(b)(i);

“**RDT**” means RAPID DOSE THERAPEUTICS INC.;

“**RDT Amalgamation Resolution**” means the special resolution of RDT Shareholders approving this Agreement and the Amalgamation, as required by applicable Laws;

“**RDT Board**” means the board of directors of RDT as it is constituted from time to time;

“**RDT Financial Statements**” means the audited financial statements of RDT for the period ended February 28, 2018 together with the notes thereto and the auditors’ report thereon;

“**RDT Finder**” means Gambier Holdings Inc.;

“**RDT Governing Documents**” means the constating documents and the by-laws of RDT;

“**RDT Shareholders**” means the holders of RDT Shares and “**RDT Shareholder**” means any one of them;

“**RDT Shares**” means the common shares in the capital of RDT;

“**RDT Warrants**” means the 840,000 outstanding RDT Share purchase warrants each entitling the holder thereof to purchase one (1) RDT Share and “**RDT Warrant**” means any one of them;

“**RDT Warrantholders**” means the holders of RDT Warrants and “**RDT Warrantholder**” means any one of them;

“**Registrar**” means the Registrar of Corporations appointed pursuant to Section 263 of the BCBCA;

“**Representatives**” means, in respect of either RDT or ACME, such Party’s officers, directors, employees, advisors, representatives or agents;

“**Returns**” means all reports, estimates, declarations of estimated tax, elections, information statements and returns relating to, or required to be filed in connection with, any Taxes;

“**Securities Authorities**” means the appropriate securities commissions or similar regulatory authorities in Canada and each of the provinces and territories thereof;

“**Securities Laws**” means any applicable Canadian provincial securities laws and any other applicable securities law;

“**subsidiary**” means a subsidiary as defined in the OBCA or the BCBCA, as applicable;

“**Superior Proposal**” – means an unsolicited written bona fide Going Public Transaction Proposal in respect of RDT or Take-Over Proposal in respect of ACME, which the RDT Board or ACME Board, as applicable, determines in good faith after consultation with its financial advisors: (1) constitutes a transaction reasonably capable of being completed (taking into account all legal, financial, regulatory and other considerations) which is fully financed or which there is a reasonable likelihood that any required financing will be obtained; (2) would, if consummated in accordance with its terms, result in a transaction financially superior to the Amalgamation for RDT Shareholders or ACME Shareholder, as applicable; and (3) after receiving the advice of outside counsel, as applicable, that the failure to take such action would be inconsistent with the fiduciary duties of the RDT Board or the ACME Board, as applicable under applicable Laws and will not result in a breach of this Agreement.

“**Take-Over Proposal**” means, where used in relation to RDT or ACME, as the case may be, other than the Amalgamation, a bid, or offer to acquire 20% or more of the outstanding RDT Shares or ACME Shares, as applicable, or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization or a similar transaction or other business combination involving RDT or ACME, as the case may be, or any proposal, offer or agreement to acquire 20% or more of the assets of RDT or ACME, as the case may be;

“**Tax Act**” means the *Income Tax Act (Canada)* and the Regulations thereunder, all as amended from time to time;



“**Taxes**” means all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any federal, provincial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), capital, payroll and employee withholding taxes, withholding taxes on amounts paid or credited to non- residents, labour taxes, employment insurance, social insurance taxes, sales and use taxes, ad valorem taxes, value added taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, insurance taxes, environmental taxes, transfer taxes, workers’ compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which ACME or RDT, as the case may be, is required to pay, withhold or collect; and

“**Working Capital**” means, at any particular date, cash on hand and short term deposits or investments valued at market price (being the closing trading price of any investments on the valuation date of working capital) plus accounts receivable, prepaid expenses and deposits and other current assets of ACME or RDT, as the case may be, less accounts payable, interest payable or accrued liabilities estimated to such date and any other current liabilities of ACME or RDT, as the case may be, excluding Debt.

## **1.2 Number and Gender**

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa; words importing gender shall include all genders; and words importing persons shall include a Person.

## **1.3 Deemed Currency**

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

## **1.4 Interpretation**

The division of this Agreement into Articles, Sections, Subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

## **1.5 Article References**

Unless the contrary intention appears, references in this Agreement to an Article, Section, Subsection, paragraph or schedule by number or letter or both refer to the specified Article,

Section, Subsection, paragraph or schedule, respectively, bearing that designation in this Agreement.

### **1.6 Date for any Action**

In the event that any date by or on which any action is required or permitted to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required or permitted to be taken, such action shall be required to be taken by or on the next succeeding day which is a Business Day.

### **1.7 Governing Law**

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

### **1.8 Attornment**

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Ontario for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against the Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the choosing of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Ontario and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

### **1.9 Knowledge**

In this Agreement, whenever a representation or warranty is made on the basis of the knowledge or awareness of a Party, such knowledge or awareness consists only of the actual collective knowledge or awareness, as of the Agreement Date, of the senior officers of such Party, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge; provided that the Party making the representation and warranty shall have conducted an actual investigation as to the subject matter relating thereto and the level of such investigation shall be that of a reasonably prudent person investigating a material consideration in the context of a material transaction and the use of such phrase shall constitute a representation and warranty by the Party making the representation and warranty in each case that such investigation has actually been made.

### **1.10 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS.

### **1.11 Disclosure**

Where in this Agreement reference is made to disclosure in writing, or disclosed in writing, on or prior to the Agreement Date, such disclosure shall be made in writing in a separate letter, memorandum or other disclosure document, dated the Agreement Date and signed by an officer of RDT or ACME, as the case may be, and delivered to the other Party immediately prior to the execution of this Agreement. Such disclosure letter, memoranda or other disclosure document, if any, shall make specific reference to the applicable sections and paragraphs of this Agreement in respect of which such disclosure is made.

## **ARTICLE 2 - THE AMALGAMATION**

### **2.1 General**

Subject to the terms and conditions of this Agreement, each of the Parties hereto agrees to use its reasonable commercial efforts prior to the Effective Date to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or advisable to complete the transactions contemplated by this Agreement and the Amalgamation.

### **2.2 Steps to be taken by RDT**

- (a) RDT covenants in favour of ACME that RDT shall:
  - (i) if requested by ACME, lawfully convene and hold a meeting of the RDT Shareholders (“RDT Meeting”) for the purpose of considering the RDT Amalgamation Resolution as soon as reasonably practicable and in any event, on or before September 30, 2018; and
  - (ii) except to the extent required by a Governmental Entity having jurisdiction or as specifically contemplated herein, not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation) the RDT Meeting without the prior written consent of ACME, not to be unreasonable withheld or delayed.
- (b) Subject the satisfaction or waiver of the conditions to completion of the Amalgamation as set forth in this Agreement, RDT agrees that it shall, with the co-operation and participation of ACME, use its best efforts to make such arrangements with the Registrar as may be necessary or desirable to permit: (i) the filing with the Registrar of the Articles of

Amalgamation to be made effective at 12:01 (a.m.) Toronto time on the Effective Date (and in any event, on or before the Outside Date), and (ii) the obtaining of the Certificate of Amalgamation.

- (c) In the event that there is a failure to obtain, or if ACME reasonably anticipates that there will be a failure to obtain, a consent, order or other approval of the Exchange or a Governmental Entity required in connection with the completion of the Amalgamation, then RDT shall, upon the request of ACME, use its reasonable commercial efforts to assist ACME to successfully implement and complete any alternative transaction structure that does not have negative financial consequences for either Party. In the event that the transaction structure is modified as a result of any event contemplated pursuant to this Subsection 2.2(c) or otherwise, the relevant provisions of this Agreement shall forthwith be deemed modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to reflect the revised transaction structure and the Parties hereto shall, upon the reasonable request of any Party hereto, execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications.

### **2.3 Steps to be taken by ACME**

- (a) ACME covenants in favour of RDT that ACME shall:
  - (i) if required by the Exchange, lawfully convene and hold a meeting of the ACME Shareholders for the purpose of considering the ACME Amalgamation Resolution, as soon as reasonably practicable and in any event, on or before September 30, 2018; and
  - (ii) except to the extent required by a Governmental Entity having jurisdiction or as specifically contemplated herein, not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation) the ACME Meeting without the prior written consent of RDT, not to be unreasonable withheld or delayed.
- (b) Subject to the satisfaction or waiver of the conditions to completion of the Amalgamation as set forth in this Agreement, ACME agrees that it shall, with the co-operation and participation of RDT, use its best efforts to make such arrangements with the Registrar as may be necessary or desirable to permit: (i) the filing with the Registrar of the Articles of Amalgamation to be made effective at 12:01 (a.m.) Toronto time on the Effective Date (and in any event, on or before the Outside Date), and (ii) the obtaining of the Certificate of Amalgamation.
- (c) ACME agrees that, on the Effective Date and subject to the satisfaction or waiver of the conditions herein contained in favour of ACME, ACME shall provide to the Depository the maximum number of ACME Shares issuable pursuant to the Amalgamation so as to permit the Depository to make the exchange of RDT Shares for the applicable number of ACME Shares to RDT Shareholders as contemplated herein.

## 2.4 Implementation

### Amalgamation

- (a) Amalgamation. On and subject to the conditions contained in this Agreement, AcquisitionCo and RDT agree to amalgamate pursuant to the provisions of Section 181 of the BCBCA and to continue as one corporation on the terms and subject to the conditions set out herein.
- (b) Name. The name of Amalco shall be “Rapid Dose Therapeutics Inc.” or such other name that Amalco’s Board of Directors may designate.
- (c) Registered Office. The registered office of Amalco shall be located at 1121 Walkers Line, Unit 3, Burlington, ON L7N 2G4.
- (d) Authorized Capital. Amalco shall be authorized to issue an unlimited number of shares designated as common shares, which shares shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation.
- (e) Number of Directors. The minimum number of directors of Amalco shall be one (1) and the maximum number of directors of Amalco shall be eleven (11).
- (f) First Directors. The number of first directors of Amalco shall be four (4). The first directors of Amalco shall be the persons whose names and addresses are set forth below:

<b>Name</b>	<b>Address</b>
Mark Upsdell	1121 Walkers Line, Unit 3, Burlington, ON L7N 2G4.
Jason Lewis	1121 Walkers Line, Unit 3, Burlington, ON L7N 2G4.
Kenneth K. Fox	1121 Walkers Line, Unit 3, Burlington, ON L7N 2G4.
Brian Howlett	20 Adelaide Street East, Suite 200 Toronto, Ontario, Canada M5C 2T6

The first directors shall hold office until the first annual or general meeting of the shareholders of Amalco or until their successors are duly appointed or elected. The subsequent directors shall be elected each year thereafter as provided for in the by-laws of Amalco. Each director will carry (1) vote, save that, in the event of a tie the chair of the board of directors shall be entitled to cast a second tie breaking vote to be used in good faith. The management and operation of the business and affairs of Amalco shall be under the control of the board of directors of Amalco as it is constituted from time to time.

- (g) Effect of Certificate of Amalgamation. On the Effective Date, the Amalgamation of AcquisitionCo and RDT and their continuance as one corporation shall become effective;

the property of each of AcquisitionCo and RDT shall continue to be the property of Amalco; Amalco shall continue to be liable for the obligations of each of RDT and AcquisitionCo; any existing cause of action, claim or liability to prosecution shall be unaffected; any civil, criminal or administrative action or proceeding pending by or against either AcquisitionCo and RDT may be continued to be prosecuted by or against Amalco; a conviction against, or filing, order or judgment in favour of or against, either AcquisitionCo and RDT may be enforced by or against Amalco; and the Articles of Amalgamation shall be deemed to be the Articles of Incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation for Amalco.

- (h) First Auditors. The first auditors of Amalco shall be MNP LLP. The first auditors of Amalco shall hold office until the first annual meeting of Amalco following the Amalgamation or until their successors are elected or appointed.
- (i) Restrictions on Business. There shall be no restrictions on the business that Amalco may carry on.
- (j) Articles of Amalgamation and By-laws. The Articles of Amalgamation of Amalco shall be in the form set forth by applicable law. The by-laws of Amalco shall be the existing by-laws of RDT, with any amendments thereto as may be necessary to give effect to the terms of this Agreement.
- (k) General Effects of the Amalgamation. On the Effective Date:
  - (i) subject to Subsections 2.4(k)(iii) and 2.4(n), each RDT Shareholder shall receive one (1) (the “Exchange Ratio”) fully paid and non-assessable ACME Share for each one (1) RDT Share held, following which all such RDT Shares shall be cancelled (such shares issued are subject to the escrow restrictions set forth in section 11.3(h) herein);
  - (ii) ACME shall receive one (1) fully paid and non-assessable Amalco Share for each one (1) AcquisitionCo Share held by ACME, following which the AcquisitionCo Shares shall be cancelled;
  - (iii) ACME shall add an amount to the paid-up capital maintained in respect of the ACME Shares equal to the aggregate paid-up capital for income tax purposes of the RDT Shares immediately prior to the Amalgamation (less the paid-up capital of any RDT Shares held by Dissenting RDT Shareholders who do not exchange their RDT Shares for ACME Shares on the Amalgamation);
  - (iv) Amalco shall add an amount to the paid-up capital maintained in respect of the Amalco Shares such that the paid-up capital of the Amalco Shares shall be equal to the aggregate paid-up capital for income tax purposes of the AcquisitionCo Shares and the RDT Shares immediately prior to the Amalgamation; and

- (v) each RDT Dissenting Shareholder shall cease to have any rights as a RDT Shareholder other than the right to be paid fair value in respect of the RDT Shares held by such RDT Dissenting Shareholder in accordance with the provisions of the BCBCA.
- (l) Share Certificates, etc. On the Effective Date:
- (i) subject to Subsection 2.4(k), the registered RDT Shareholders shall cease to be RDT Shareholders and shall be deemed to be the registered ACME Shareholders to which they are entitled, calculated in accordance with the provisions hereof, and, subject to Subsection 2.4(n), the holders of share certificates representing such RDT Shares may surrender such certificates to the Depositary and, upon such surrender, shall be entitled to receive certificates representing the number of ACME Shares to which they are so entitled;
  - (ii) ACME, as the registered holder of the AcquisitionCo Shares shall be deemed to be the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and may surrender the certificates representing such AcquisitionCo Shares to Amalco and, upon such surrender, shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof.
- (m) Stale Certificates. Any certificate formerly representing RDT Shares which is not deposited with the Depositary on or prior to the day prior to the fifth (5th) anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature whatsoever.
- (n) Dissenting RDT Shareholders. RDT Shares which are held by a RDT Dissenting Shareholder shall not be exchanged as prescribed by Subsection 2.4(k)(i) and shall be deemed to have been surrendered to RDT for cancellation immediately prior to the Effective Time. However, if a RDT Dissenting Shareholder fails to perfect or effectively withdraws its claim under Section 191 of the BCBCA or forfeits its right to make a claim under Section 191 of the BCBCA or if its rights as a RDT Shareholder are otherwise reinstated, such RDT Shareholder's RDT Shares shall thereupon be deemed to have been exchanged as of the Effective Date as prescribed by Subsection 2.4(k).

## **2.5 RDT Meeting**

In accordance with Subsection 2.2(a), RDT shall take all action necessary in accordance with Securities Laws (including making all necessary applications to the Securities Authorities as may be necessary to consummate the transactions contemplated by this Agreement, including the Amalgamation), Corporate Laws, all other applicable Laws, the RDT Governing Documents and any other regulatory authority having jurisdiction, and, if requested by ACME, to duly call, give notice of, convene and hold the RDT Meeting, such meeting to be held as soon as reasonably practical but in any event no later than within 30 days of the date on which ACME obtains a receipt to its preliminary prospectus filed with the Securities Authorities. Except to the extent required by a Governmental Entity having jurisdiction or as specifically contemplated herein, RDT shall not

adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation) the RDT Meeting without the prior written consent of ACME.

## **2.6 RDT Information Circular**

If RDT calls the RDT Meeting, RDT shall promptly prepare the RDT Information Circular setting forth inter alia the recommendation of the RDT Board set forth in Subsection 2.7(a) and the intention of the officers and directors referred to in Subsection 2.7(b)) and the Parties shall, on a timely basis, use their reasonable commercial efforts to co-operate in the preparation of all other documents and filings and the seeking and obtaining of all consents, orders and approvals, including regulatory and judicial orders and approvals and other matters reasonably determined by RDT and ACME to be necessary in connection with this Agreement and the transactions contemplated by this Agreement, including the Amalgamation. RDT shall ensure that the RDT Information Circular and other documents, filings, consents, orders and approvals contemplated by this Section 2.6 are prepared in compliance with, made and/or obtained in accordance with Securities Laws, Corporate Laws and all other applicable Laws. RDT shall mail the RDT Information Circular to the RDT Shareholders and to all other Persons required by law with respect to the RDT Meeting, all in accordance with Securities Laws, Corporate Laws and all other applicable Laws, the RDT Governing Documents and the requirements of any other regulatory authority having jurisdiction. The term “RDT Information Circular” shall mean such proxy or other required information statement or circular, as the case may be, and all related materials at the time required to be mailed to the RDT Shareholders in connection with the RDT Meeting and all amendments or supplements thereto, if any. RDT and ACME each shall use all reasonable commercial efforts to obtain and furnish the information required to be included in the RDT Information Circular. The information to be provided by each of ACME and RDT for use in the RDT Information Circular, on both the date the RDT Information Circular is first mailed to RDT Shareholders and on the date the RDT Meeting is held, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and will comply in all material respects with all applicable requirements of Law, and RDT and ACME each agree to correct promptly any such information provided by either of them for use in the RDT Information Circular which has ceased to meet such standard. In any such event, RDT shall prepare a supplement or amendment to the RDT Information Circular or such application or other document, as required and as the case may be, and, if required, shall cause the same to be distributed to RDT Shareholders and/or filed with the Securities Authorities and/or other Governmental Entity after ACME and its counsel and advisors have had a reasonable opportunity to review and comment on all such documentation and all such documentation is in form and content reasonably satisfactory to ACME as contemplated herein.

## **2.7 RDT Board Recommendation**

- (a) RDT represents that the RDT Board has unanimously determined that:
  - (i) the Amalgamation is in the best interests of RDT and the RDT Shareholders;



- (ii) the consideration to be received by RDT Shareholders under the Amalgamation is fair; and
  - (iii) the RDT Board has unanimously recommended that RDT Shareholders vote in favour of the RDT Amalgamation Resolution, which recommendation may not be withdrawn, modified or changed in any manner except as set forth herein.
- (b) RDT represents that its officers, directors and RDT Shareholders that hold, in the aggregate a minimum of 50,000,000 RDT Shares have advised it that, as at this Agreement Date, they intend to vote all RDT Shares held by them in favour of the RDT Amalgamation Resolution and will so represent in the RDT Information Circular.

## **2.8 RDT Dissenting Shareholders**

Each RDT Shareholder may exercise RDT Dissent Rights in connection with the Amalgamation pursuant to and in the manner set forth in Section 191 of the BCBCA. RDT shall give ACME (i) prompt notice of any written notices of exercise of rights of dissent, withdrawals of such notices, and any other instruments served pursuant to the BCBCA and received by RDT, and (ii) the opportunity to participate in all negotiations and proceedings with respect to such dissent rights. Without the prior written consent of ACME, except as required by applicable Law, RDT shall not make any payment with respect to any such dissent rights or offer to settle or settle any such dissent rights.

## **ARTICLE 3 - SPONSORSHIP**

### **3.1 Sponsorship**

[Intentionally deleted]

## **ARTICLE 4 - PUBLICITY**

### **4.1 Publicity**

- (a) Each of ACME and RDT shall advise, consult and co-operate with the other prior to issuing, or permitting any of its directors, officers, employees or agents to issue, any news release or other written public or private statement to the press with respect to this Agreement, the transactions contemplated hereby or any other matters, from the Agreement Date until the Effective Time. Neither ACME nor RDT shall issue any such news release or make any such written public or private statement prior to such consultation, except as may be required by applicable Law including, for greater certainty, in order to fulfil continuous disclosure obligations under Securities Laws, Corporate Laws, obligations in accordance with the rules and policies of the Exchange or the fiduciary duties of the respective boards of directors and only after using its reasonable commercial efforts to consult the other taking into account the time constraints to which it is subject as a result of such law or obligation.

(b) [Intentionally deleted]

## **ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF ACME AND ACQUISITIONCO**

ACME and AcquisitionCo hereby represent and warrant to RDT as follows and acknowledge that RDT is relying upon these representations and warranties in connection with the entering into of this Agreement:

### **5.1 Organization and Qualification**

ACME is a corporation duly incorporated and organized and validly existing under the laws of the Province of Ontario and AcquisitionCo is a corporation duly incorporated and organized and validly existing under the laws of the Province of British Columbia and each corporation has the requisite corporate power and authority to carry on its business as it is now being conducted.

### **5.2 Authority Relative to this Agreement**

Each of ACME and AcquisitionCo has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by each of ACME and AcquisitionCo of the transactions contemplated hereby have been duly authorized by their respective boards of directors and no other corporate proceedings on its part are or will be necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by each of ACME and AcquisitionCo and constitutes a legal, valid and binding obligation of each of ACME and AcquisitionCo enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.

### **5.3 No Violations**

(a) Neither the execution and delivery of this Agreement by ACME, the consummation by it of the transactions contemplated hereby nor compliance by it with any of the provisions hereof will: (i) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of ACME under, any of the terms, conditions or provisions of (A) the ACME Governing Documents or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which ACME is a party or to which it, or any of its respective properties or assets, may be subject or by which ACME is bound; or (ii) subject to compliance with Corporate Laws and Securities Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to ACME (except for, in the case of each of clauses (i) and (ii) above, such

violations, conflicts, breaches, defaults, terminations, accelerations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on ACME).

- (b) Other than in connection with or in compliance with the provisions of Corporate Laws and Securities Laws, (i) there is no legal impediment to the performance by ACME of its obligations under this Agreement or to the execution and delivery of this Agreement by ACME and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by ACME in connection with the consummation of the Amalgamation, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on ACME.

#### **5.4 Capitalization**

- (a) As of the Agreement Date, the authorized share capital of ACME consists of an unlimited number of ACME Shares. As of the Agreement Date, 5,266,190 ACME Shares are issued and outstanding. Except as set forth above, there are no securities of ACME outstanding and no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by ACME of any ACME Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any ACME Shares, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attributes of ACME. All outstanding ACME Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.
- (b) The authorized share capital of AcquisitionCo consists of an unlimited number of AcquisitionCo Shares, of which, at the Agreement Date, one (1) AcquisitionCo common share is issued and outstanding and held by ACME. There are no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by AcquisitionCo of any AcquisitionCo Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any AcquisitionCo Shares, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of AcquisitionCo. All outstanding AcquisitionCo Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.

#### **5.5 No Material Adverse Change**

There has not been any Material Adverse Change in the assets, results of operations, capitalization, financial condition, liabilities or obligations (absolute, accrued, contingent or otherwise) of ACME from the position set forth in the ACME Financial Statements and there has not been any Material Adverse Change in respect of ACME since March 31, 2018, and since that date there have been

no facts, transactions, events or occurrences which could have a Material Adverse Effect on ACME.

## **5.6 Financial Statements**

The ACME Financial Statements fairly present in all material respects, in accordance with IFRS, consistently applied, the financial position and condition of ACME at the dates thereof and the results of the operations of ACME for the period then ended and reflect all material assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of ACME as at the dates thereof.

## **5.7 Compliance with Applicable Laws**

Except as has been publicly disclosed since January 1, 2010, ACME has conducted and is conducting its business in compliance in all material respects with all applicable Laws, rules and regulations.

## **5.8 Litigation, Etc.**

Except as has been publicly disclosed since January 1, 2010, there are, at the Agreement Date, no actions, suits or proceedings outstanding, pending, or to the knowledge of ACME threatened, affecting ACME before or by any federal, provincial, state, local, foreign, municipal or other governmental department, commission, board, bureau, agency or court, which action, suit or proceeding would reasonably be expected to result in a judgment against or liability of ACME or other Person which, if successful, would have a Material Adverse Effect on ACME, and ACME has no knowledge of facts or circumstances which may reasonably give rise to any such actions, cost or proceeding.

## **5.9 Securities Matters**

- (a) ACME is a reporting issuer in good standing in the provinces of Ontario, Alberta and British Columbia;
- (b) no securities commission or similar regulatory authority has issued any order which is currently outstanding preventing or suspending trading in the securities of ACME, no such proceeding is, to the knowledge of ACME, pending, contemplated or threatened and ACME is not included on a list of defaulting issuers of any Securities Authorities; and
- (c) the ACME Board has reserved and allotted for issuance to RDT Shareholders a sufficient number of ACME Shares as are issuable pursuant to the Amalgamation (including, for greater certainty, a sufficient number of ACME Shares issuable upon exercise of RDT Warrants) and such ACME Shares will be, when issued, fully paid and non-assessable securities, free from any trading restricted period or hold period under Securities Laws of Canada.

## **5.10 Employment Agreements**

ACME is not a party to any written employment or consulting agreement or any verbal employment or consulting agreement.

## **5.11 Employee Benefit Plans**

ACME has no employee benefit plans. ACME has made no promises with respect to increased benefits under such plans and all contributions (including premiums) required by law or contract to and including the Agreement Date to have been paid or accrued, under or with respect to such plans, have been paid or accrued as at that date, as the case may be, except where failure to make any such contribution could not reasonably be expected to result in a Material Adverse Change.

## **5.12 Public Record**

The information and statements filed by or on behalf of ACME with the Securities Authorities in the provinces of Ontario, Alberta and British Columbia, are in material compliance, or intended compliance, with applicable Securities Laws, were true, correct and complete, in all material respects, and did not contain any misrepresentation, as of the respective dates of such information or statements, and no material change has occurred in relation to ACME which has not been publicly disclosed, and ACME has not filed any confidential material change reports which continue to be confidential.

## **5.13 Books and Records**

The corporate records and minute books of ACME have been maintained in accordance with all applicable Corporate Laws and are complete and accurate in all material respects.

## **5.14 Tax Matters**

- (a) All Returns required to be filed by or on behalf of ACME have been duly filed and such Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto have been paid in full, and no other Taxes are payable by ACME with respect to items or periods covered by such Returns.
- (b) ACME has paid or provided adequate accruals for taxes as at March 31, 2018 in the ACME Financial Statements, including income taxes and labour taxes, in conformity with IFRS.
- (c) No material deficiencies exist or have been asserted with respect to Taxes of ACME. ACME is not a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or to ACME's knowledge threatened against ACME or ACME's assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of ACME. There is no audit in process, pending or, to the knowledge

of ACME, threatened by a governmental or taxing authority relating to the Returns of ACME for the last fiscal year.

### **5.15 Financial Commitments**

Except for operating costs incurred in the ordinary course of business, as of the Agreement Date, ACME has no outstanding commitments for expenditures or other financial commitments in respect of the ACME Interests.

### **5.16 Debt and Working Capital**

As at the Agreement Date, ACME had no Debt and its Working Capital is not less than \$400,000.

### **5.17 No Undisclosed Material Liabilities**

Except as disclosed or reflected in the ACME Financial Statements and except for liabilities and obligations incurred in the ordinary course of business, or pursuant to the terms of this Agreement, ACME has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by IFRS to be reflected on the balance sheet of ACME) since March 31, 2018 that constitute or would be reasonably likely to constitute a Material Adverse Change in respect of ACME.

### **5.18 Information**

- (a) ACME has disclosed to RDT any information in its possession of which it is aware regarding any event, circumstance or action taken which could reasonably be expected to have a Material Adverse Effect on ACME.
- (b) To the best of the knowledge of ACME, all material data and information in respect of ACME and its assets, reserves, liabilities, business and operations provided by ACME or its advisors to RDT and its agents and representatives is complete and true and correct in all material respects as at the respective dates thereof and ACME has not omitted to provide any material data or information necessary to make any data or information provided by ACME to RDT not misleading in any material respect as at the respective dates thereof.

### **5.19 Financial Advisors**

ACME has not retained nor will it retain any financial advisor, broker, agent or finder in connection with the transactions contemplated hereby, nor will it pay or agree to pay any financial advisor, broker, agent or finder any fee in connection with the transactions contemplated hereby as a financial advisor in connection with the transactions contemplated hereby.

### **5.20 Shareholder Rights Plan**

There is not currently in effect with respect to ACME, and prior to the Effective Date, ACME will not implement, a shareholder rights plan or any other form of plan, agreement, contract or

instrument that will trigger any rights to acquire ACME Shares or other securities of ACME or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or the making or consummation of the Amalgamation.

#### **5.21 No Shareholders Agreement**

Neither ACME nor, to the best of ACME's knowledge any of the ACME Shareholders, is a party to any shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of ACME, other than as contemplated in this Agreement and as may be required in connection with the transactions contemplated hereby.

#### **5.20 Issuances of Securities**

All offers and sales of securities in the capital of ACME from treasury or by ACME including without limitation, the ACME Shares have been made in material compliance with all applicable Securities Laws.

#### **5.21 Subsidiaries**

ACME has no subsidiaries, other than AcquisitionCo.

#### **5.22 Restriction on Business**

The execution, delivery and performance of this Agreement does not and will not result in the restriction of ACME from engaging in its business or from competing with any Person or in any geographical area and do not and will not result in a Material Adverse Effect on ACME or trigger or cause to arise any rights of any Person under any contract or arrangement to restrict ACME from engaging in the business it currently or proposes to carry on.

#### **5.23 Encumbered ACME Shares**

To the best of ACME's knowledge, neither ACME nor any of the ACME Shareholders is a party to any security agreement, pledge agreements or other similar type of arrangement in respect of which ACME Shares have been charged, encumbered or otherwise provided as collateral.

#### **5.24 Material Contracts**

Except for this Agreement and as otherwise disclosed in ACME's public record, there are no material contracts or agreements to which ACME is a party or by which it is bound, all such contracts or agreements are valid and subsisting and ACME is not in default or breach thereof.

#### **5.25 Amalgamation**

The ACME Board has approved the Amalgamation and approved this Agreement, has unanimously determined that the Amalgamation is in the best interests of the ACME Shareholders.

## **ARTICLE 6 - REPRESENTATIONS AND WARRANTIES OF RDT**

RDT represents and warrants to and in favour of ACME and AcquisitionCo as follows and acknowledges that ACME and AcquisitionCo are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

### **6.1 Organization and Qualification**

RDT is a corporation duly incorporated and organized and validly existing under the laws of the Province of British Columbia and has the requisite corporate power and authority to carry on its business as it is now being conducted. RDT is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on RDT.

### **6.2 Authority Relative to this Agreement**

RDT has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by RDT of the transactions contemplated hereby have been duly authorized by the RDT Board and no other corporate proceedings on its part are or will be necessary to authorize this Agreement and the transactions contemplated hereby (except for obtaining RDT Shareholder approval in respect of the RDT Amalgamation Resolution in accordance with this Agreement). This Agreement has been duly executed and delivered by RDT and constitutes a legal, valid and binding obligation of RDT enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.

### **6.3 No Violations**

- (a) Neither the execution and delivery of this Agreement by RDT, the consummation by it of the transactions contemplated hereby nor compliance by it with any of the provisions hereof will:
- (i) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of RDT under, any of the terms, conditions or provisions of (A) the RDT Governing Documents or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which RDT is a party or to which it or any of its respective properties or assets, may be subject or by which RDT is bound; or
  - (ii) subject to compliance with Corporate Laws and Securities Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute,



ordinance, rule or regulation applicable to RDT (except for, in the case of each of clauses (i) and (ii) above, such violations, conflicts, breaches, defaults, terminations, accelerations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on RDT).

- (b) Other than in connection with or in compliance with the provisions of Corporate Laws and Securities Laws, (i) there is no legal impediment to the performance by RDT of its obligations under this Agreement or to the execution and delivery of this Agreement by RDT and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by RDT in connection with the consummation of the Amalgamation, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on RDT.

#### **6.4 Capitalization**

As of the Agreement Date, the authorized share capital of RDT consists of an unlimited number of RDT Shares. As of the Agreement Date, RDT will have the following securities issued and outstanding:

- (i) a maximum of 57,641,200 RDT Shares;
- (ii) 840,000 RDT Warrants; and
- (iii) shares issued pursuant to the Corporate Finance Services Agreement.

Except as set forth above, there will be, as at the Closing Date, no securities of RDT outstanding and no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by RDT of any RDT Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any RDT Shares, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attributes of RDT. All outstanding RDT Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.

#### **6.5 No Material Adverse Change**

There has not been any material adverse change in the assets, results of operations, capitalization, financial condition, liabilities or obligations (absolute, accrued, contingent or otherwise) of RDT from the position set forth in the RDT Financial Statements and there has not been any Material Adverse Change in respect of RDT since February 28, 2018, and since that date there have been no facts, transactions, events or occurrences which could have a Material Adverse Effect on RDT.

#### **6.6 Financial Statements**

The RDT Financial Statements fairly present in all respects, in accordance with IFRS, consistently applied, the financial position and condition of RDT at the dates thereof and the results of the

operations of RDT for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of RDT as at the dates thereof.

### **6.7 Compliance with Applicable Laws**

RDT has conducted and is conducting its business in compliance in all material respects with all applicable Laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirement of any governmental or regulatory bodies applicable to it of each jurisdiction in which it carries on its business (except to the extent that the failure to so comply would not have a Material Adverse Effect on RDT) and holds all licences, permits, approvals, consents, registrations and qualifications in all jurisdictions in which it carries on its business which are necessary to carry on the business of RDT (other than those that, the failure of which to so hold, would not have a Material Adverse Effect on RDT), as now conducted and as presently proposed to be conducted and all such licenses, permits, approvals, consents, registrations or qualifications are valid and existing and in good standing and none of such licenses, permits, approvals, consents, registrations or qualifications contain any term, provision, condition or limitation which has or could reasonably be expected to have a Material Adverse Effect on RDT.

### **6.8 Title to Patents**

Although it does not warrant title, RDT is not aware of any defects, failures or impairments to the title to its patents and intellectual property, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in the aggregate could reasonably be expected to have a Material Adverse Effect on RDT, or materially adversely affect the value of the patents and intellectual property.

### **6.9 Property Interests**

The RDT Interests are free and clear of adverse claims created by, through or under RDT except those arising in the ordinary course of business and that would not have a Material Adverse Effect on RDT and, to its knowledge, RDT holds the RDT Interests under valid and subsisting patents and licenses or other agreements except where the failure to so hold the RDT Interests would not have a Material Adverse Effect on RDT.

### **6.10 Litigation, Etc.**

There are, at the Agreement Date, no actions, suits or proceedings outstanding, pending, or to the knowledge of RDT threatened, affecting RDT before or by any federal, provincial, state, local, foreign, municipal or other governmental department, commission, board, bureau, agency or court, which action, suit or proceeding would reasonably be expected to result in a judgment against or liability of RDT and RDT has no knowledge of facts or circumstances which may reasonably give rise to any such actions, cost or proceeding.

#### **6.14 Employee Amounts**

RDT has no Employee Amounts and as at the Effective Date there will be no amounts payable by RDT for Employee Amounts.

#### **6.15 Employment Agreements**

Other than as disclosed by RDT, RDT is not a party to any written employment or consulting agreement or any verbal employment or consulting agreement, which may not be terminated on one months' notice or which provides for a payment on a change of control of RDT or severance of employment upon termination without cause.

#### **6.16 Employee Benefit Plans**

Other than as disclosed by RDT, RDT has no employee benefit plans. RDT has made no promises with respect to increased benefits under such plans and all contributions (including premiums) required by law or contract to and including the Agreement Date to have been paid or accrued, under or with respect to such plans, have been paid or accrued as at that date, as the case may be, except where failure to make any such contribution could not reasonably be expected to result in a Material Adverse Change.

#### **6.17 Books and Records**

The corporate records and minute books of RDT have been maintained in accordance with all applicable Corporate Laws and are complete and accurate in all material respects.

#### **6.18 Tax Matters**

- (a) All Returns required to be filed by or on behalf of RDT have been duly filed and such Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto have been paid in full, and no other Taxes are payable by RDT with respect to items or periods covered by such Returns.
- (b) RDT has paid or provided adequate accruals for taxes as at February 28, 2018 in the RDT Financial Statements, including income taxes and labour taxes, in conformity with IFRS.
- (c) No material deficiencies exist or have been asserted with respect to Taxes of RDT. RDT is not a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or to RDT's knowledge threatened against RDT or RDT's assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of RDT. There is no audit in process, pending or, to the knowledge of RDT, threatened by a governmental or taxing authority relating to the Returns of RDT for the last fiscal year.

### **6.19 Debt and Working Capital**

RDT had no Debt as at the Agreement Date.

### **6.20 Securities Matters**

No securities commission or similar regulatory authority in Canada has issued any order which is currently outstanding and preventing or suspending trading in the securities of RDT. No such proceeding is, to the knowledge of RDT, pending, contemplated or threatened and RDT is not in default of any requirement of any securities laws, rules or policies applicable to RDT or its securities.

### **6.21 Financial Commitments**

Except for operating costs incurred in the ordinary course of business, as of the Agreement Date, RDT has no outstanding commitments for expenditures or other financial commitments in respect of the RDT Interests.

### **6.22 No Default Under Lending Agreements**

RDT is not in default or breach of any covenants under its existing banking and lending agreements.

### **6.23 No Undisclosed Material Liabilities**

Except as disclosed or reflected in the RDT Financial Statements and except for liabilities and obligations incurred in the ordinary course of business or pursuant to the terms of this Agreement, RDT has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by IFRS to be reflected on the balance sheet of RDT) since February 28, 2018 that constitute or would be reasonably likely to constitute a Material Adverse Change in respect of RDT.

### **6.24 Insurance**

Policies of insurance in force as of the Agreement Date naming RDT as an insured adequately cover in accordance with industry standards all risks reasonably and prudently foreseeable in the operation and conduct of the business of RDT. All such policies of insurance shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby or by the Amalgamation.

### **6.25 Private Issuer**

RDT is not a reporting issuer in any jurisdiction in Canada and there is not a published market in respect of the RDT Shares;

## 6.26 Information

- (a) RDT has disclosed to ACME any information in its possession of which it is aware regarding any event, circumstance or action taken which could reasonably be expected to have a Material Adverse Effect on RDT.
- (b) To the best of the knowledge of RDT, all material data and information in respect of RDT and the RDT Subsidiaries and their respective assets, reserves, liabilities, business and operations provided by RDT or its advisors to ACME and its agents and representatives is complete and true and correct in all material respects as at the respective dates thereof and RDT has not omitted to provide any material data or information necessary to make any data or information provided by RDT to ACME not misleading in any material respect as at the respective dates thereof.

## 6.27 Restriction on Business

The execution, delivery and performance of this Agreement does not and will not result in the restriction of RDT from engaging in its business or from competing with any Person or in any geographical area and do not and will not result in a Material Adverse Effect on RDT or trigger or cause to arise any rights of any Person under any contract or arrangement to restrict RDT from engaging in the business it currently or proposes to carry on.

## 6.28 Financial Advisors

Other than the RDT Finder, RDT has not retained nor will it retain any financial advisor, sponsor, broker, agent or finder in connection with the transactions contemplated hereby, nor will it pay or agree to pay any financial advisor, sponsor, broker, agent or finder any fee in connection with the transactions contemplated hereby as a financial advisor in connection with the transactions contemplated hereby other than a corporate finance services agreement dated November 30, 2017 (the "Corporate Finance Services Agreement") pursuant to which the RDT Finder will be paid:

- (a) a fee equal to seven percent (7%) of the Transaction Value (as defined below) with respect to any equity financing transaction (a "Financing Transaction") by RDT, payable in cash as at the date of the closing of the Financing Transaction, which closes after the date of the Corporate Finance Services Agreement;
- (b) a fee equal to equal to seven percent (7%) of the total number of shares or other securities issued and outstanding in the capital of RDT as of the date of the Corporate Finance Services Agreement, payable in shares or the other securities as of the date hereof; and
- (c) subject only to regulatory approval, a fee equal to seven percent (7%) of the total number of shares or other securities issued in addition to the shares or other securities issued after the date of date of the Corporate Finance Services Agreement (save for shares or other securities issued pursuant to item (a) above in respect of any merger, reverse-take-over or plan of arrangement involving RDT and any other

corporation, payable in shares or the securities of RDT or the resulting corporation, as the case may be, as of the closing date of any such transaction.

“Transaction Value” means, for the purposes of item (a) above, the total amount(s) paid to RDT on the closing of any Financing Transaction, if, as and when it actually paid to or for the benefit of RDT.

### **6.29 No Shareholders Agreement**

Neither RDT nor, to the best of RDT’s knowledge any of the RDT Shareholders, is a party to any shareholders agreement, pooling agreement, voting trust or other similar type of arrangement in respect of outstanding securities of RDT, other than as contemplated in this Agreement and as may be required in connection with the transactions contemplated hereby.

### **6.30 Issuances of Securities**

All offers and sales of securities in the capital of RDT from treasury or by RDT including, without limitation, the RDT Shares and the RDT Warrants have been made in material compliance with all applicable Securities Laws.

### **6.31 Subsidiaries**

RDT has a subsidiary in the United States named RDT Therapeutics Inc.

### **6.32 Encumbered RDT Shares**

To the best of RDT’s knowledge, neither RDT nor any of the RDT Shareholders is a party to any security agreement, pledge agreements or other similar type of arrangement in respect of which RDT Shares or any of the shares of the RDT Subsidiaries have been charged, encumbered or otherwise provided as collateral.

### **6.33 No Guarantees or Indemnities**

RDT is not a party to or bound by any agreement of guarantee, indemnification (other than a indemnification of directors and officers in accordance with the by-laws of RDT and applicable Laws, and indemnities in support of RDT’s obligations pursuant to agreements entered into in the ordinary course of business), or any other like commitment of the obligations, liabilities (absolute, accrued, contingent or otherwise) of indebtedness of any other Person other than the RDT Subsidiaries.

### **6.34 No Loans**

RDT does not have any loans or other indebtedness currently outstanding which have been made to or from any of the RDT Shareholders or its officers, directors or employees or any other Person not dealing at arm’s length with RDT.

### **6.35 Amalgamation**

The RDT Board has approved the Amalgamation and approved this Agreement, has unanimously determined that the Amalgamation is in the best interests of the RDT Shareholders.

### **6.36 No Net Profits or Other Interests**

No officer, director, employee or any other Person not dealing at arm's length with RDT or, to the knowledge of RDT, any associate or affiliate of any such Person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of RDT (taken as a whole) or any revenue or rights attributed thereto.

### **6.42 No Going Public Transaction Proposal**

RDT has not negotiated any going public transaction proposal with any Person, other than ACME.

## **ARTICLE 7 - CONDUCT OF BUSINESS**

### **7.1 Conduct of Business by ACME**

ACME agrees that during the period from the Agreement Date and ending on the earlier of the Effective Date or the termination of this Agreement, except as otherwise expressly permitted or specifically contemplated by this Agreement or as expressly consented to in writing by RDT:

- (a) the business of ACME shall be conducted only in, and ACME shall not take any action except in, the usual and ordinary course of business and consistent with past practice, and ACME shall use all commercially reasonable efforts to maintain and preserve its business, assets and advantageous business relationships and ACME shall keep RDT apprised of all material developments relating thereto;
- (b) ACME shall not directly or indirectly do or permit to occur any of the following: (i) amend the ACME Governing Documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its shares owned by any Person; (iii) issue or agree to issue grant any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire ACME Shares; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its shares; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of ACME; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;
- (c) ACME shall not, without prior consultation with and the consent of the RDT Board, such consent not to be unreasonably withheld, directly or indirectly do any of the following: (i) sell, pledge, dispose of or encumber any of its material assets having an individual value

- in excess of \$10,000 individually or \$50,000 in the aggregate; (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of shares or securities, contributions of capital or property transfer; (iii) acquire any assets with an acquisition cost which would exceed \$10,000 individually or \$50,000 in the aggregate; (iv) incur or commit to incur any indebtedness for borrowed money except in the ordinary course of business, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances other than fees payable to legal advisors in the ordinary course and fees payable to legal in respect of the Amalgamation; (v) authorize, recommend or propose any release or relinquishment of any material contract right; (vi) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, or other material document or incur any contingent liability in excess of \$10,000 individually or \$50,000 in the aggregate; (vii) enter into any non-arm's length transactions including with any officers, directors or employees of ACME or transfer any property or assets of ACME to any employees; or (viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing except as may be necessary for the maintenance of existing facilities, machinery and equipment in good operating condition and repair in the ordinary course of business;
- (d) ACME shall not: (i) grant any officer, director, employee or consultant an increase in compensation in any form; (ii) grant any general salary increase to any employees; (iii) take any action with respect to the amendment or grant of any severance or termination pay policies or arrangement for any directors, officers or employees; (iv) advance any loan to any officer, director or any other party not at arm's length to ACME; (v) adopt or amend any ACME employee compensation plans; nor (vi) make any payment to any employee, officer or director outside their ordinary and usual compensation for services provided;
- (e) ACME shall not adopt or amend or make any contribution to any bonus, employee health benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, incentive or share purchase plan, fund, plan or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangement or agreements;
- (f) ACME shall use its commercially reasonable efforts to cause, effective at the Effective Time, the resignation of each of the officers of ACME and to cause each of such officers to execute mutual releases, conditional on closing of the Amalgamation and effective on the Effective Date, each in form and substance satisfactory to RDT and ACME, each acting reasonably and ACME shall cooperate with RDT to provide an orderly transition of control;
- (g) ACME shall use its commercially reasonable efforts to cause, effective at the Effective Time, the resignation of each of the directors of ACME (except for Brian Howlett) and to



- cause each of such directors to execute mutual releases, conditional on closing of the Amalgamation and effective on the Effective Date, each in form and substance satisfactory to RDT and ACME, each acting reasonably, and to fill the resulting vacancies with designees of RDT, and ACME shall cooperate with RDT to provide an orderly transition of control;
- (h) other than as disclosed to RDT, ACME shall use its commercially reasonable efforts to cause each of its directors and senior officers to vote in favour of the ACME Amalgamation Resolution;
  - (j) ACME shall not take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or negatively affect the consummation of the Amalgamation;
  - (k) ACME shall not take any action, that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect;
  - (l) ACME shall promptly notify RDT in writing of: (i) any material change (actual, anticipated or, to the knowledge of ACME, contemplated or threatened, financial or otherwise) in or on the business, operations, results of operations, affairs, assets, capitalization, financial condition, licenses, permits, concessions, prospects, rights, or liabilities, whether contractual or otherwise, of ACME (other than any change or effect that is excepted out of the definitions of Material Adverse Change or Material Adverse Effect), or (ii) any change that would render any representation or warranty provided by ACME in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and ACME shall in good faith discuss with RDT any change in circumstances (actual, anticipated or to the knowledge of ACME contemplated or threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to RDT pursuant to this provision;
  - (m) ACME will within two Business Days of ACME receiving any written audit inquiry, assessment, reassessment, confirmation or variation of an assessment, indication that tax assessment is being considered, request for filing of a waiver or extension of time or any other notice in writing relating to taxes, interest, penalties, losses or tax pools (an "Assessment"), deliver to RDT a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of ACME on the assumption that such Assessment is valid and binding;
  - (n) ACME shall use its commercially reasonable efforts to fulfill or cause the fulfillment of the conditions set forth in Sections 11.1 and 11.2 as soon as reasonably possible to the extent that the fulfillment of the same is within the control of ACME;
  - (o) ACME shall make all necessary filings and applications under Corporate Laws and Securities Laws required to be made on the part of ACME in connection with the

transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such laws; and

- (p) ACME will furnish promptly to RDT or RDT's counsel any requests from any governmental or regulatory authority for any information in respect of the business, operations, financial condition or assets of ACME or any third party compliant, investigation or hearing (or investigations indicating the same may be contemplated) to the extent that it relates to or could affect ACME or their respective properties or assets in a material way.

## **7.2 Conduct of Business by RDT**

RDT agrees that during the period from the Agreement Date and ending on the earlier of the Effective Date or the termination of this Agreement, except as otherwise expressly permitted or specifically contemplated by this Agreement or as expressly consented to in writing by ACME:

- (a) the business of RDT shall be conducted only in, and RDT shall not take any action except in, the usual and ordinary course of business and consistent with past practice, and RDT shall use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships and RDT shall consult with ACME in respect of the ongoing business and affairs of RDT and keep ACME apprised of all developments relating thereto;
- (b) RDT shall not directly or indirectly do or permit to occur any of the following: (i) amend the RDT Governing Documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its shares owned by any Person; (iii) redeem, purchase or otherwise acquire any of its outstanding shares or other securities other than as required by the RDT Governing Documents; (iv) split, combine or reclassify any of its shares; (v) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of RDT; or (vi) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;
- (c) RDT shall not, without prior consultation with and the consent of the ACME Board, such consent not to be unreasonably withheld, directly or indirectly do any of the following: (i) sell, pledge, dispose of or encumber any of its assets having an individual value in excess of \$10,000 individually or \$50,000 in the aggregate; (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of shares or securities, contributions of capital or property transfer; (iii) acquire any assets with an acquisition cost which would exceed \$10,000 individually or \$50,000 in the aggregate; (iv) incur or commit to incur any indebtedness for borrowed money except in the ordinary course of business, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances other than fees payable to legal advisors in the ordinary course and fees payable

- to legal in respect of the Amalgamation; (v) authorize, recommend or propose any release or relinquishment of any material contract right; (vi) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document; (viii) enter into or terminate any Swaps or other financial instruments or like transactions (other than in accordance with their terms); (ix) enter into commitments of a capital expenditure nature or incur any contingent liability in excess of \$10,000 individually or \$50,000 in the aggregate; (x) enter into any non-arm's length transactions including with any officers, directors or employees of RDT or transfer any property or assets of RDT to any employees; or (xi) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing except as may be necessary for the maintenance of existing facilities, machinery and equipment in good operating condition and repair in the ordinary course of business;
- (d) RDT shall not: (i) grant any officer, director, employee or consultant an increase in compensation in any form; (ii) grant any general salary increase to any employees; (iii) take any action with respect to the amendment or grant of any retention, severance or termination pay policies or arrangement for any directors, officers or employees; (iv) advance any loan to any officer, director or any other party not at arm's length to RDT; or (v) take any action with respect to the grant of any new, or any amendment to any existing, arrangements for severance, termination or retention pay with any officer or employee arising from the Amalgamation or a change of control of RDT or otherwise, or with respect to any increase of benefits payable under its current severance, termination or retention pay policies;
- (e) RDT shall not adopt or amend or make any contribution to any bonus, employee health benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, incentive or share purchase plan, fund, plan or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangement or agreements;
- (f) RDT shall use its commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.
- (g) other than as disclosed to ACME, RDT shall use its commercially reasonable efforts to cause each of its directors and senior officers to vote in favour of the RDT Amalgamation Resolution; and
- (h) RDT shall not take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere

or negatively affect the consummation of the Amalgamation, other than in connection with a Superior Proposal in accordance with fulfilling the fiduciary obligations of the RDT Board.

## ARTICLE 8 - COVENANTS OF RDT

### 8.1 RDT Meeting

- (a) [intentionally deleted].
- (b) if requested by ACME, RDT shall, on or before in any event no later than within 30 days of the date on which ACME obtains a receipt to its preliminary prospectus filed with the Securities Authorities (or such other date as ACME and RDT may agree to), convene the RDT Meeting.
- (c) RDT shall solicit proxies to be voted at the RDT Meeting in favour of the matters to be considered at such meeting, including the RDT Amalgamation Resolution.
- (d) RDT shall provide notice to ACME of the RDT Meeting and allow ACME's representatives to attend such meeting.
- (e) RDT shall conduct the RDT Meeting in accordance with the RDT Governing Documents and any instrument governing such meeting, as applicable, and as otherwise required by Corporate Laws and other applicable Laws.
- (f) RDT will prepare (in consultation with ACME), and distribute to RDT Shareholders in a timely and expeditious manner, the RDT Information Circular and any amendments or supplements thereto, all as required by applicable Laws, in all jurisdictions where the same is required, complying in all material respects with all Corporate Laws and other applicable Laws and, without limiting the generality of the foregoing, RDT shall ensure that the RDT Information Circular provides RDT Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, and will set out the ACME Information in the RDT Information Circular in the form approved by ACME and shall include, without limitation, (i) the financial statements of RDT and in respect of prior acquisitions, if any, made by RDT that are required to be included therein in accordance with applicable Laws prepared in accordance with applicable Laws; and (ii) the unanimous determination of the RDT Board that the Amalgamation is fair, from a financial point of view, to RDT Shareholders, is in the best interests of RDT and RDT Shareholders, and include the unanimous recommendation of the RDT Board that the RDT Shareholders vote in favour of the Amalgamation; provided that, notwithstanding the covenant of RDT in this Subsection 8.1(f), prior to the completion of the Amalgamation, the RDT Board may withdraw, modify or change the recommendation regarding the Amalgamation if, in the opinion of the RDT Board acting reasonably, having received the advice of its outside legal counsel, such withdrawal, modification or change is required to act in a manner consistent with the fiduciary duties of the RDT Board and the RDT Board shall have complied with the provisions of Sections 8.7 and 8.8 (including that RDT shall

have paid the ACME Non-Completion Fee to ACME) and shall have terminated this Agreement pursuant to Section 12.2;

- (g) RDT shall indemnify and save harmless ACME and the directors, officers and agents of ACME from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which ACME, or any director, officer or agent thereof, may be subject or which ACME, or any director, officer or agent thereof, may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any misrepresentation or alleged misrepresentation in the RDT Information Circular (other than arising solely from or based solely upon any misrepresentation or alleged misrepresentation in the ACME Information contained in the RDT Information Circular); and
- (h) except for proxies and other non-substantive communications with RDT Shareholders, RDT will furnish promptly to ACME or ACME's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by RDT in connection with: (i) the Amalgamation; (ii) the RDT Meeting; (iii) any filings under applicable Laws; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated hereby.

## **8.2 ACME Meeting**

- (a) if required, RDT will assist ACME in the preparation of the ACME Information Circular and provide to ACME, in a timely manner, all information as may be reasonably requested by ACME with respect to RDT and its directors and officers for inclusion in the ACME Information Circular and any amendments or supplements thereto, in each case complying in all material respects with all applicable legal requirements and the rules and policies of the Exchange on the date of issue thereof and to enable ACME to meet the standard referred to in Subsection 9.2(g) with respect to RDT, the Amalgamation and the transactions to be considered at the ACME Meeting.
- (b) RDT shall indemnify and save harmless ACME and the directors, officers and agents of ACME from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which ACME, or any director, officer or agent thereof, may be subject or which ACME, or any director, officer or agent thereof may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
  - (i) any misrepresentation or alleged misrepresentation in the ACME Information Circular regarding RDT based on information provided to ACME from RDT or in any material filed by RDT or on behalf of RDT which RDT has authorized for use in the ACME Information Circular in compliance or intended compliance with any Corporate Laws, Securities Laws and other applicable Laws;

- (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the ACME Information Circular or in any material filed by or on behalf of RDT in compliance or intended compliance with Securities Laws, which prevents or restricts the trading in the RDT Shares; and
- (iii) RDT being in breach of any material requirement of Corporate Laws, Securities Laws and other applicable Laws in connection with the transactions contemplated in this Agreement;

except that RDT shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon (a) any misrepresentation or alleged misrepresentation of a material fact that is not contained solely within the RDT Information included in the ACME Information Circular, or (b) the negligence of ACME.

### **8.3 Notice of Material Change**

From the Agreement Date until the termination of this Agreement, RDT shall promptly notify ACME in writing of:

- (a) any Material Adverse Change (actual, anticipated, contemplated or, to the knowledge of RDT, threatened) in respect of RDT;
- (b) any change in the facts relating to any representation or warranty set forth in Article 6 which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect as at the Agreement Date or as at any subsequent date; or
- (c) any material fact in respect of RDT or the RDT Shareholders which arises and which would have been required to be stated herein had the fact arisen on or prior to the Agreement Date including, without limitation, any material fact that could reasonably be expected to result in any of the conditions to completion of the Amalgamation not being satisfied prior to the Outside Date.

RDT shall in good faith discuss with ACME any change in circumstances (actual, anticipated, contemplated or, to the knowledge of RDT, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to ACME pursuant to this Section 8.3.

### **8.4 Permitted Change in Recommendation**

Notwithstanding any other provision of this Agreement, the RDT Board shall have the right to withdraw, modify or amend its recommendation with respect to the Amalgamation if, prior to the

Outside Date, ACME shall have breached, or failed to comply with, in any material respect, any of its material covenants or other material obligations under this Agreement, provided that ACME has been given written notice of and three (3) Business Days to cure any such breach or non-performance.

## **8.5 Financial Information**

RDT shall make available to ACME, and consents to the use of, all financial statements and other information of RDT which may be required to be disclosed in any ACME documents, including the ACME Information Circular, any proxy statement, business acquisition report or prospectus of ACME and any amendments thereto, as required under Securities Laws and the rules and policies of the Exchange. Such financial statements shall be prepared in accordance with IFRS. If required by Securities Laws or the rules and policies of the Exchange, such financial statements shall be audited or reviewed, as the case may be, by RDT's auditors if requested by ACME. RDT shall use its commercially reasonable efforts to have its auditors, to the extent required by Securities Laws or the rules and policies of the Exchange, provide the consent to the use of their reports and to the use of their name in connection with any disclosure by ACME of such financial statements.

## **8.6 Actions**

RDT covenants and agrees that at all times prior to the completion of the Amalgamation, RDT shall not take any action, or fail to take any action, which would or could reasonably be expected to result in the representation and warranties set out in Article 6 being untrue in any material respect at any time prior to the completion of the Amalgamation.

## **8.7 Non Solicitation**

- (a) RDT shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any of its Representatives on its behalf), if any, with any parties conducted before the Agreement Date with respect to any Going Public Transaction and shall immediately request the return or destruction of all information provided to any third parties which have entered into a confidentiality agreement with RDT relating to a Going Public Transaction and shall use reasonable commercial efforts to ensure that such requests are honoured.
- (b) RDT shall not, directly or indirectly, do or authorize or permit any of its Representatives to, directly or indirectly, do, any of the following:
  - (i) take any action to or solicit, facilitate, initiate or encourage (including, without limitation, by way of furnishing information or entering into any form of agreement, arrangement or understanding) or take any action to solicit, facilitate or encourage any inquiry or communication or the making of any proposal or offer to RDT or the RDT Shareholders from any Person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (1) an initial public offering in Canada of RDT Shares (a "Public Offering") with a concurrent listing on a recognized Canadian stock

exchange; or (2) a transaction which provides RDT Shareholders with comparable liquidity to a Public Offering whether by means of (A) an acquisition from RDT or the RDT Shareholders of any securities of RDT (other than on exercise of currently outstanding RDT Warrants); (B) any acquisition of a significant amount of the assets of RDT; (C) an amalgamation, arrangement, merger, or consolidation involving RDT; or (D) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving RDT or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Amalgamation or which would or could reasonably be expected to materially reduce the benefits to ACME under this Agreement or the Amalgamation (any such inquiry or proposal in respect of any of the foregoing being an “Going Public Transaction Proposal”);

- (ii) enter into or participate in any negotiations or discussions regarding a Going Public Transaction Proposal, or furnish to any other Person any information with respect to its business, properties, operations, prospects or conditions (financial or otherwise) in connection with a Going Public Transaction Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;
- (iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits of RDT under confidential information agreements, including, without limitation, any “standstill provisions” thereunder; or
- (iv) accept, recommend, approve or enter into an agreement to implement a Going Public Transaction Proposal, provided, however, that notwithstanding any other provision hereof, RDT and its Representatives may:
  - (A) engage in or participate in negotiations or discussions with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the Agreement Date, by RDT or any of its Representatives) seeks to initiate such negotiations or discussions and, subject to execution of a confidentiality agreement that shall provide for disclosure thereof to ACME as set out below, may furnish to such third party information concerning RDT and its business, properties and assets, in each case if, and only to the extent that:
    - (1) the third party has first made a Superior Proposal; and
    - (2) prior to furnishing such information to or entering into or participating in any such negotiations or discussions with such third party, RDT provides prompt notice to ACME to the effect that it is furnishing information to or entering into or participating in negotiations or



discussions with such Person or entity together with a copy of the confidentiality agreement referenced above and if not previously provided to ACME and provided further that, RDT shall notify ACME orally and in writing of any inquiries, offers or proposals with respect to a Superior Proposal (which written notice shall include, without limitation, a copy of such proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to ACME within forty-eight (48) hours of the receipt thereof, shall keep ACME informed of the status and details of any such inquiry, offer or proposal and answer ACME's questions with respect thereto; and

- (B) RDT provides to ACME in writing the determination of the RDT Board promptly upon determining that the Going Public Transaction Proposal, if completed, would constitute a Superior Proposal;
- (vi) comply with Multilateral Instrument 62-104, Take-Over Bids and Issuer Bids and similar provisions under other Securities Laws relating to the provision of directors' circulars, if applicable, and make appropriate disclosure with respect thereto to the RDT Shareholders; and
- (vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation, the RDT Board shall have concluded in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Subsection 8.7(c) and after receiving the advice of outside counsel, that the taking of such action is necessary for the RDT Board in discharge of its fiduciary duties under applicable Laws and RDT complies with its obligations set forth in Subsection 8.7(c) and terminates this Agreement in accordance with Section 12.2 and concurrently therewith pays the ACME Non-Completion Fee.

## **ARTICLE 9 - COVENANTS OF ACME AND ACQUISITIONCO**

ACME and AcquisitionCo agree that during the period from the Agreement Date and ending on the earlier of the Effective Date or the termination of this Agreement, except as otherwise expressly permitted or specifically contemplated by this Agreement:

### **9.1 RDT Meeting**

- (a) If required, ACME and AcquisitionCo will assist RDT in the preparation of the RDT Information Circular and provide to RDT, in a timely manner, all information as may be reasonably requested by RDT with respect to ACME and AcquisitionCo and their respective directors and officers for inclusion in the RDT Information Circular and any amendments or supplements thereto, in each case complying in all material respects with all applicable legal requirements on the date of issue thereof and to enable RDT to meet

the standard referred to in Subsection 8.1(f) with respect to ACME, the Amalgamation and the transactions to be considered at the RDT Meeting.

- (b) ACME shall indemnify and save harmless RDT and the directors, officers and agents of RDT from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which RDT, or any director, officer or agent thereof, may be subject or which RDT, or any director, officer or agent thereof may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
- (i) any misrepresentation or alleged misrepresentation in the RDT Information Circular regarding ACME based on information provided to RDT from ACME or in any material filed by ACME or on behalf of ACME which ACME has authorized for use in the RDT Information Circular in compliance or intended compliance with any Corporate Laws, Securities Laws and other applicable Laws;
  - (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the ACME Information Circular or in any material filed by or on behalf of ACME in compliance or intended compliance with Securities Laws, which prevents or restricts the trading in the ACME Shares; and
  - (iii) ACME being in breach of any materials requirement of Corporate Laws, Securities Laws and other applicable Laws in connection with the transactions contemplated in this Agreement;

except that ACME shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon (a) any misrepresentation or alleged misrepresentation of a material fact that is not contained solely within the ACME Information included in the RDT Information Circular, or (b) the negligence of RDT.

- (c) ACME shall indemnify and save harmless RDT and the directors, officers and agents of RDT from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which RDT, or any director, officer or agent thereof, may be subject or which RDT, or any director, officer or agent thereof, may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any misrepresentation or alleged misrepresentation in the ACME Information Circular (other than arising solely from or based solely upon any misrepresentation or alleged misrepresentation in the RDT Information contained in the ACME Information Circular);
- (d) except for proxies and other non-substantive communications with ACME Shareholders, ACME will furnish promptly to RDT or RDT's counsel, a copy of each notice, report,

schedule or other document delivered, filed or received by ACME in connection with: (i) the Amalgamation; (ii) the ACME Meeting; (iii) any filings under applicable Laws; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated hereby; and

- (e) ACME will make all necessary filings and applications under Corporate Laws, Securities Laws, other applicable Laws and the rules and policies of the Exchange, required to be made on the part of ACME in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such Corporate Laws, Securities Laws, other applicable Laws and the rules and policies of the Exchange.

### **9.3 Notice of Material Change**

From the Agreement Date until the termination of this Agreement, ACME and AcquisitionCo shall promptly notify RDT in writing of:

- (a) any Material Adverse Change (actual, anticipated, contemplated or, to the knowledge of ACME, threatened in respect of ACME;
- (b) any change in the facts relating to any representation or warranty set forth in Article 5 which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect as at the Agreement Date or as at any subsequent date;
- (c) any change in circumstances which arises and which would reasonably be expected to result in any of the RDT Shareholders that have provided RDT Shareholder Support Agreements not voting their RDT Shares in favour of the RDT Amalgamation Resolution; or
- (d) any material fact in respect of ACME which arises and which would have been required to be stated herein had the fact arisen on or prior to the Agreement Date.

ACME shall in good faith discuss with RDT any change in circumstances (actual, anticipated, contemplated or, to the knowledge of ACME, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to RDT pursuant to this Section 9.3.

### **9.4 Permitted Change in Recommendation**

Notwithstanding any other provision of this Agreement, the ACME Board shall have the right to withdraw, modify or amend its recommendation with respect to the Amalgamation if, prior to the Outside Date, RDT shall have breached, or failed to comply with, in any material respect, any of its material covenants or other material obligations under this Agreement, provided that RDT has been given written notice of and three (3) Business Days to cure any such breach or non-performance.

## 9.5 Actions

ACME and AcquisitionCo covenant and agree that at all times prior to the completion of the Amalgamation, ACME and AcquisitionCo shall not take any action, or fail to take any action, which would or could reasonably be expected to result in the representations and warranties set out in Article 5 being untrue in any material respect at any time prior to the completion of the Amalgamation.

## 9.6 Non Solicitation

- (a) ACME shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any of its Representatives on its behalf), if any, with any parties conducted before the Agreement Date with respect to any Acquisition Proposal and shall immediately request the return or destruction of all information provided to any third parties which have entered into a confidentiality agreement with ACME relating to an Acquisition Proposal and shall use reasonable commercial efforts to ensure that such requests are honoured.
- (b) ACME shall not, directly or indirectly, do or authorize or permit any of its Representatives to, directly or indirectly, do, any of the following:
  - (i) solicit, facilitate, initiate or encourage (including, without limitation, by way of furnishing information or entering into any form of agreement, arrangement or understanding) or take any action to solicit, initiate or encourage any inquiry or communication or the making of any proposal or offer to ACME or the ACME Shareholders from any Person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (A) any acquisition of all or substantially all of the assets of ACME; (B) an amalgamation, arrangement, merger, or consolidation involving ACME; or (C) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving ACME or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Amalgamation or which would or could reasonably be expected to materially reduce the benefits to RDT under this Agreement or the Amalgamation (any such inquiry or proposal in respect of any of the foregoing being an “Acquisition Proposal”);
  - (ii) enter into or participate in any negotiations or discussions regarding an Acquisition Proposal, or furnish to any other Person any information with respect to its business, properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;

- (iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits of ACME under confidential information agreements, including, without limitation, any “standstill provisions” thereunder; or
  - (iv) accept, recommend, approve or enter into an agreement to implement an Acquisition Proposal,
- (c) ACME shall ensure that the officers, directors and employees of ACME and any investment bankers, legal and other advisers and representatives retained by ACME are aware of the provisions of this Section 9.6, and ACME shall be responsible for any breach of this Section 9.6 by such officers, directors, employees, investment bankers, advisers and representatives.

## **9.7 Indemnities**

ACME and AcquisitionCo agree that they will not take any action to terminate or Materially Adversely Effect any indemnity agreements or right to indemnity in favour of past and present officers and directors of ACME pursuant to the provisions of the ACME Governing Documents, applicable Corporate Laws and any written indemnity agreements between ACME and its past and present directors (copies of which agreements being in the form provided to RDT prior to the Agreement Date).

## **9.9 Other Covenants**

ACME and AcquisitionCo covenant and agree that, from and including the Agreement Date until the termination of this Agreement, unless RDT agrees otherwise in writing:

- (a) ACME and AcquisitionCo shall use their reasonable commercial efforts to consummate the Amalgamation, in accordance with the terms and conditions hereof;
- (b) ACME shall use its commercially reasonable efforts to obtain approval of the ACME Amalgamation Resolution and all of the Exchange and regulatory approvals, waivers and consents required;
- (c) ACME shall use its reasonable commercial efforts to continue to be a “reporting issuer” (or similarly designated company) in the provinces of Ontario, Alberta and British Columbia, in material compliance with all applicable Securities Laws and shall use its reasonable commercial efforts to ensure that the ACME Shares will be listed on the Exchange.

## **9.10 Exchange Approval**

Following execution of this Agreement, ACME will promptly make application to the Exchange to approve the transactions contemplated hereby and to list the number of ACME Shares as are issuable pursuant to the Amalgamation for trading on the Exchange.

## ARTICLE 10 - MUTUAL COVENANTS

### 10.1 Mutual Covenants

From the Agreement Date until the Effective Date, each of ACME, AcquisitionCo and RDT will use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to the extent the same is within its control, take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable Laws to complete the Amalgamation, including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts, as applicable;
- (b) to obtain all necessary consents, approvals and authorizations that are required to be obtained by it under any applicable Laws and the rules and policies of the Exchange; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Amalgamation,

and each of ACME, AcquisitionCo and RDT will use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other of its obligations under this Article 10 including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between officers of RDT and ACME.

## ARTICLE 11 - CONDITIONS PRECEDENT

### 11.1 Mutual Conditions Precedent

The respective obligations of the Parties hereto to consummate the transactions contemplated hereby, and in particular the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual consent of such parties without prejudice to their right to rely on any other of such conditions:

- (a) the Articles of Amalgamation filed with the Registrar shall be in form and substance satisfactory to each of RDT and ACME, acting reasonably;
- (b) the Effective Date shall be on or prior to the Outside Date;
- (c) all required regulatory, governmental and third party approvals, waivers and consents in respect of the completion of the Amalgamation shall have been obtained on terms and conditions satisfactory to RDT and ACME, each acting reasonably, including, without limitation, all applicable statutory and regulatory waiting periods shall have expired or have

been terminated and no unresolved material objection or opposition shall have been filed, initiated or made during any applicable statutory regulatory period, including, without limitation, Exchange approval for the transactions contemplated by this Agreement and the listing of the ACME Shares issuable pursuant to the Amalgamation on the Exchange, each in form and substance satisfactory to ACME and RDT, acting reasonably;

- (d) no material action or proceeding shall be pending or threatened by any Person, company, firm, Governmental Entity, regulatory body or agency and there shall be no action taken under any existing applicable Law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or Governmental Entity or similar agency, domestic or foreign, that:
  - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Amalgamation or any other transactions contemplated herein; or
  - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein; and

The foregoing conditions are for the mutual benefit of RDT on the one hand and ACME on the other hand and may be asserted by RDT and by ACME regardless of the circumstances and may be waived by RDT and ACME in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which RDT or ACME may have. If any of such conditions shall not be complied with or waived as aforesaid on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 11.4, a Party hereto may rescind and terminate this Agreement by written notice to the other of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by such rescinding Party hereto.

## **11.2 Conditions to Obligations of RDT**

The obligation of RDT to consummate the transactions contemplated hereby, and in particular the Amalgamation, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) each of the covenants, acts and undertakings of ACME to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by ACME in all material respects;
- (b) ACME shall have furnished RDT with:
  - (i) certified copies of the resolutions duly passed by the ACME Board and the board of directors of AcquisitionCo approving this Agreement and the consummation of the transactions contemplated hereby and directing the submission of the Amalgamation for approval at the ACME Meeting and recommending that ACME Shareholders vote in favour of the Amalgamation; and

- (ii) if applicable, certified copies of the ACME Amalgamation Resolution, duly passed at the ACME Meeting, approving the Amalgamation;
- (c) except as affected by the transactions contemplated by or permitted by this Agreement, the representations and warranties made by ACME in this Agreement shall be true and correct in all material respects as at the Effective Date with the same effect as though such representations and warranties had been made at and as of such time (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date) and ACME shall have complied in all material respects with its covenants in this Agreement and RDT shall have received a certificate to that effect dated the Effective Date from the President and Chief Executive Officer of ACME and another senior officer thereof acceptable to RDT, acting reasonably, acting solely on behalf of ACME and not in their personal capacity, to the best of their information and belief having made reasonable inquiry and RDT shall have no knowledge to the contrary;
- (d) the ACME Board shall not have withdrawn, modified or changed any of its recommendations, approvals, resolutions or determinations in respect of the Amalgamation in a manner materially adverse to RDT or the completion of the Amalgamation;
- (e) each of the officers of ACME shall have provided their resignations in favour of ACME, conditional on closing of the Amalgamation and effective on the Effective Date, each in form and substance and on such terms as are satisfactory to RDT, acting reasonably, and each of such officers of ACME shall have provided mutual releases prior to the Effective Time;
- (f) each of the directors of ACME (other than Brian Howlett) shall have provided their resignations, in a manner that allows for the orderly replacement of directors on the Effective Date, in favour of ACME, conditional on closing of the Amalgamation and effective on the Effective Date, each in form and substance and on such terms as are satisfactory to RDT, acting reasonably, and each of such directors of ACME (other than Brian Howlett) shall have provided the releases prior to the Effective Time;
- (g) there shall not have occurred any Material Adverse Change in respect of ACME;
- (h) immediately prior to the Effective Time, RDT shall be satisfied there shall not be more than 5,266,190 ACME Shares duly issued and outstanding and shall be satisfied that upon completion of the Amalgamation no Person shall have any agreement, option or any right or privilege (whether by law, pre-emptive, by contract or otherwise) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any issued or unissued, ACME Shares; and
- (i) the directors of ACME and AcquisitionCo shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by ACME and AcquisitionCo to permit the consummation of the Amalgamation.



The conditions in this Section 11.2 are for the exclusive benefit of RDT and may be asserted by RDT regardless of the circumstances or may be waived by RDT in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which RDT may have. If any of such conditions shall not be complied with or waived by RDT on or before the Outside Date or the date required for the performance thereof, if earlier, then subject to Section 11.4, RDT may rescind and terminate this Agreement by written notice to ACME and AcquisitionCo in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by RDT.

### **11.3 Conditions to Obligations of ACME and AcquisitionCo**

The obligation of ACME to consummate the transactions contemplated hereby, and in particular the issue of ACME Shares is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) each of the acts, covenants and undertakings of RDT to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by RDT in all material respects;
- (b) RDT shall have furnished ACME with:
  - (i) certified copies of the resolutions duly passed by the RDT Board approving this Agreement and the consummation of the transactions contemplated hereby and directing the submission of the Amalgamation for approval at the RDT Meeting and recommending that RDT Shareholders vote in favour of the Amalgamation; and
  - (ii) certified copies of the RDT Amalgamation Resolution, duly passed at the RDT Meeting, approving the Amalgamation;
- (c) except as affected by the transactions contemplated by or permitted by this Agreement, the representations and warranties made by RDT in this Agreement shall be true and correct in all material respects as at the Effective Date with the same effect as though such representations and warranties had been made at and as of such time (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date) and RDT shall have complied in all material respects with its covenants in this Agreement and ACME shall have received a certificate to that effect dated the Effective Date of the President of RDT, acting solely on behalf of RDT and not in his personal capacity, to the best of his information and belief having made reasonable inquiry and ACME shall have no knowledge to the contrary;
- (d) the RDT Board shall not have withdrawn, modified or changed any of its recommendations, approvals, resolutions or determinations in respect of the Amalgamation

in a manner materially adverse to ACME or the completion of the Amalgamation, other than in respect of a Superior Proposal pursuant to the terms hereof;

- (e) holders of not greater than 5% of the outstanding RDT Shares shall have exercised RDT Dissent Rights in respect of the Amalgamation that have not been withdrawn as at the Effective Date;
- (f) immediately prior to the Effective Time, ACME shall be satisfied there shall not be more than 57,641,200 RDT Shares duly issued and outstanding (excluding shares issued pursuant to the Corporate Finance Services Agreement and the 840,000 RDT Shares issued upon the exercise of the RDT Warrants) and shall be satisfied that upon completion of the Amalgamation and no other Person shall have any agreement, option or any right or privilege (whether by law, pre-emptive, by contract or otherwise) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any issued or unissued, RDT Shares except for the RDT Warrants;
- (g) the directors of RDT shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by RDT to permit the consummation of the Amalgamation; and
- (h) all ACME Shares issued in exchange for RDT Shares as set forth in section 2.4 (exclusive of the 840,000 RDT Shares issued pursuant to the exercise of the RDT Warrants and shares issued pursuant to the Corporate Finance Services Agreement and the 4,560,000 shares issued by RDT pursuant to the Private Placement) will be subject to the following escrow provisions:
  - (a) 5% of such shares will be released on the Escrow Commencement Date;
  - (b) a further 5% of such shares will be released from escrow after 6 months from the Escrow Commencement Date;
  - (c) a further 5% of such shares will be released from escrow upon the date which is 12 months from the Escrow Commencement Date;
  - (d) a further 5% of such shares will be released from escrow upon the date which is 18 months from the Escrow Commencement Date;
  - (e) a further 15% of such shares will be released from escrow upon the date which is 24 months from the Escrow Commencement Date;
  - (f) a further 15% of such shares will be released from escrow upon the date which is 30 months from the Escrow Commencement Date;
  - (g) a further 50% of such shares will be released from escrow upon the date which is 36 months from the Escrow Commencement Date.

The conditions described in this Section 11.3 are for the exclusive benefit of ACME and may be asserted by ACME regardless of the circumstances or may be waived by ACME in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which ACME may have.

#### **11.4 Notice and Effect of Failure to Comply with Conditions**

- (a) Each of RDT and ACME shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the Agreement Date to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to, (i) cause any of the representations or warranties of any Party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.
- (b) If any of the conditions precedents set forth in Sections 11.1, 11.2 or 11.3 shall not be complied with or waived by the Party or parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement (as further provided for herein) provided that prior to the filing of the Articles of Amalgamation for the purpose of giving effect to the Amalgamation, the Party intending to rely thereon has delivered a written notice to the other Party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent and the Party in breach shall have failed to cure such breach within three (3) Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one such notice may be delivered by a Party.

#### **11.5 Satisfaction of Conditions**

The conditions set out in this Article 11 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, Articles of Amalgamation are filed under the Act to give effect to the Amalgamation.

### **ARTICLE 12 - AMENDMENT AND TERMINATION OF AGREEMENT WAIVER**

#### **12.1 Amendment**

This Agreement may at any time and from time to time be amended by written agreement of the Parties hereto without, subject to applicable Law, further notice to or authorization on the part of their respective security holders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties hereto;

- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
  - (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties hereto; or
  - (d) waive compliance with or modify any other conditions precedent contained herein,
- provided that no such amendment decreases the consideration to be received by RDT Shareholders pursuant to the Amalgamation without approval by the RDT Shareholders given in the same manner as required for the approval of the Amalgamation.

## **12.2 Termination**

- (a) This Agreement may, prior to the filing of the Articles of Amalgamation, be terminated by mutual written agreement of the Parties without further action on the part of either the ACME Shareholders or RDT Shareholders;
- (b) Notwithstanding any other rights contained herein, ACME may terminate this Agreement upon written notice to RDT if:
  - (i) the Amalgamation has not become effective on or before the Outside Date;
  - (ii) RDT shall be in breach of any of its covenants, agreements or representations and warranties contained herein that would have a Material Adverse Effect on RDT or on the ability of RDT and ACME to consummate the transactions contemplated hereby and RDT fails to cure such breach within three (3) Business Days after receipt of written notice thereof from ACME (except that no cure period shall be provided for a breach which by its nature cannot be cured); or
  - (iii) upon a right of termination of this Agreement by ACME arising pursuant to Section 11.1 or 11.3.
- (c) Notwithstanding any other rights contained herein, RDT may terminate this Agreement upon written notice to ACME if:
  - (i) the Amalgamation has not become effective on or before the Outside Date;
  - (ii) ACME shall be in breach of any of its covenants, agreements or representations and warranties contained herein that would have a Material Adverse Effect on ACME or on the ability of ACME and RDT to consummate the transactions contemplated hereby and ACME fails to cure such breach within three (3) Business Days after receipt of written notice thereof from RDT (except that no cure period shall be provided for a breach which by its nature cannot be cured); or

- (iii) upon a right of termination of this Agreement by RDT arising pursuant to Sections 11.1 and 11.2.
- (d) If this Agreement is terminated pursuant to any provision of this Agreement, the Parties shall return all materials and copies of all materials delivered to RDT or ACME, as the case may be, or their agents. Except for the obligations set forth in Sections 8.8, 9.7 and 12.2 (provided in the case of Sections 8.8 and 9.7, the right of payment (in the case of Subsections 8.7(d) and 9.7(d), being the public announcement or making of such Take-Over Proposal) arose prior to the termination of this Agreement) which shall survive any termination of this Agreement and continue in full force and effect, no Party shall have any further obligations to any other Party hereunder with respect to this Agreement.

## **ARTICLE 13 - CLOSING**

### **13.1 Effective Date**

The Effective Date shall be the date mutually selected by the Parties, which in any event shall not be later than the Outside Date, and on such date the Effective Date shall occur in accordance with Section 13.2 and 13.3.

### **13.2 Effect of Closing**

On the Effective Date, as promptly as practicable after the satisfaction or, to the extent permitted hereunder, the waiver of the conditions set forth in Article 7, the Parties shall cause the Amalgamation to be consummated by the filing of the Articles of Amalgamation and any other necessary documents prepared in accordance with the provisions of this Agreement and the BCBCA with the Registrar in accordance with the BCBCA, and at the Effective Time on the Effective Date, the Amalgamation shall occur.

### **13.3 Place of Closing**

Subject to the termination of this Agreement as provided in Article 10, the closing of the transactions contemplated by this Agreement as detailed in Section 13.2 (the "Closing") will take place at the offices of RDT, 1121 Walkers Line, Unit 3, Burlington, ON L7N 2G4, on the Effective Date.

### **13.4 Other Closing Matters**

In addition to the other matters required to be delivered under the terms and conditions of this Agreement, each of ACME, AcquisitionCo and RDT shall deliver, at the Closing, such customary certificates, resolutions and other closing documents as may be required by the other Party hereto, acting reasonably.

## ARTICLE 14 - GENERAL PROVISIONS

### 14.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered if delivered personally and as of the date received if sent by telecopier, email, mail or courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

- (a) if to ACME or AcquisitionCo:

**ACME RESOURCES CORP.**

20 Adelaide Street East, Suite 200

Toronto, Ontario M5C 2T6

Attention: John Siriunas, President and Chief Executive Officer

Fax No.: 416-361-1333

Email: [johns@51-7corp.com](mailto:johns@51-7corp.com)

- (b) if to RDT:

**RAPID DOSE THERAPEUTICS INC.**

1100 Walkers Line, Suite 401

Burlington, ON L7N 2G3

Attention: Mark Upsdell, President and Chief Executive Officer

Email: [mupsdell@rapid-dose.com](mailto:mupsdell@rapid-dose.com)

### 14.2 Time of Essence

Time shall be of the essence in this Agreement.

### 14.3 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and cancels and supersedes all prior agreements and understandings between the Parties with respect to the subject matter hereof including the letter of intent dated December 13, 2017, as amended by the letter of intent dated February 15, 2018, signed on February 21, 2018 and the Original Agreement dated April 6, 2018 and the Amending Agreement dated May 15, 2018 and this Agreement.

### 14.4 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties without the prior written consent of the other Party.

#### **14.5 Expenses**

The Parties agree that all out of pocket third party transaction expenses of the Amalgamation, including legal fees, regulatory filing fees, all fees and disbursements by advisors, printing and mailing costs, and all other costs and expenses relating to the Amalgamation shall be paid by the Party incurring such expenses.

#### **14.6 Binding Effect**

This Agreement shall be binding upon and shall enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

#### **14.7 Further Assurances**

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

#### **14.8 Severability**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

#### **14.7 Counterpart Execution**

This Agreement may be executed in any number of counterparts by original, telefacsimile or electronic signature, each of which will be an original as regards any party whose signature appears thereon and all of which together will constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, bears the signatures of all the parties reflected hereon as signatories.

*[The remainder of this page is left blank intentionally]*

**IN WITNESS WHEREOF**, ACME, AcquisitionCo and RDT have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**RAPID DOSE THERAPEUTICS INC.**

Signed: "*Mark Upsdell*"

Per: \_\_\_\_\_  
Mark Upsdell, President & Chief Executive Officer

**ACME RESOURCES CORP.**

Signed: "*John Siriunas*"

Per: \_\_\_\_\_  
John Siriunas, President & Chief Executive Officer

**1163926 BC LTD.**

Signed: "*Paul Ankcorn*"

Per: \_\_\_\_\_  
Paul Ankcorn, President



**APPENDIX “D”**

**Audited Consolidated Financial Statements of  
Rapid Dose Therapeutics Inc.  
for the period from date of incorporation on May 3, 2017 to February 28, 2018  
and  
Condensed Consolidated Interim Financial Statements of  
Rapid Dose Therapeutics Inc.  
for the three months and six months ended August 31, 2018 and 2017**



# **Rapid Dose Therapeutics Inc.**

## **Consolidated Financial Statements**

**From date of incorporation of May 3, 2017 to February 28, 2018**

*(All monetary amounts are in Canadian dollars, unless specified otherwise)*

# Independent Auditors' Report

To the Shareholders of Rapid Dose Therapeutics Inc.

We have audited the accompanying consolidated financial statements of Rapid Dose Therapeutics Inc. which comprise the consolidated statement of financial position as at February 28, 2018, and the consolidated statement of loss and comprehensive loss, shareholders' equity (deficit), and cash flows from date of incorporation of May 3, 2017 to February 28, 2018, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

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

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Rapid Dose Therapeutics Inc. as at February 28, 2018, and its financial performance and its cash flows from the date of incorporation of May 3, 2017 to February 28, 2018 in accordance with International Financial Reporting Standards.

## Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of material uncertainty relating to conditions that cast significant doubt on Rapid Dose Therapeutics Inc.'s ability to continue as a going concern.

Mississauga, Ontario  
December 5, 2018

*MNP LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

**MNP**

# Rapid Dose Therapeutics Inc.

## Consolidated Statement of Financial Position

(All monetary amounts are in Canadian dollars, unless specified otherwise)

	As at February 28, 2018
	\$
<b>Assets</b>	
Current assets	
Cash	326,267
Accounts receivable (Note 4)	82,486
Shareholder advance (Note 13)	3,707
Prepaid expenses	143,402
	<b>555,862</b>
Long-term assets	
Property and equipment (Note 5)	172,668
	<b>728,530</b>
<b>Total assets</b>	<b>728,530</b>
<b>Liabilities</b>	
Current liabilities	
Accounts payable and accrued liabilities (Note 6 and 13)	139,830
	<b>139,830</b>
<b>Shareholder's equity (deficit)</b>	
Share capital	
Common shares (Note 7)	2,016,280
Warrants reserve (Note 7(iv) and 8)	74,282
Deficit	(1,501,862)
Total shareholder's equity	<b>588,700</b>
<b>Total liabilities &amp; shareholder's equity</b>	<b>728,530</b>

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 9)

Subsequent events (Note 15)

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

# Rapid Dose Therapeutics Inc.

## Consolidated Statement of Loss and Comprehensive Loss

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

	\$
<b>Expenses</b>	
Consulting fees (Note 13)	991,346
Research and development	239,548
Professional fees	90,606
Office and administration	42,372
Marketing and business development	47,717
Depreciation (Note 5)	988
Travel	89,285
Loss from operations	(1,501,862)
<b>Net loss and comprehensive loss for the period</b>	(1,501,862)
<b>Net loss per share</b>	
Basic and diluted	(0.04)
<b>Weighted average number of common shares outstanding</b>	
Basic and diluted	34,111,028

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

# Rapid Dose Therapeutics Inc.

## Consolidated Statement of Shareholder's Equity (Deficit)

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

	Share capital		Warrants reserve	Deficit	Total Equity
	Number of shares	Amount			
		\$	\$	\$	\$
<b>Opening Balance, May 3, 2017</b>	-	-	-	-	-
Shares issued on private placements (Note 7(i)(ii)(iii)(iv)(v)(vi))	4,149,950	1,227,418	-	-	<b>1,227,418</b>
Warrants issued on private placements (Note 7(v), 8)	-	(74,282)	74,282	-	-
Share issue cost (Note 7(v)(vi))	-	(56,500)	-	-	<b>(56,500)</b>
Shares issued for services provided (Note 7(vii))	50,181,250	919,644	-	-	<b>919,644</b>
Net loss and comprehensive loss for the period	-	-	-	(1,501,862)	<b>(1,501,862)</b>
<b>Balance, February 28, 2018</b>	<b>54,331,200</b>	<b>2,016,280</b>	<b>74,282</b>	<b>(1,501,862)</b>	<b>588,700</b>

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

# Rapid Dose Therapeutics Inc.

## Consolidated Statement of Cash Flows

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

	\$
<b>Operating activities</b>	
Net loss and comprehensive loss for the period	<b>(1,501,862)</b>
Non-cash adjustments	
Depreciation	988
Issuance of common shares for services	919,644
Changes in non-cash operating working capital items	
Accounts receivable	(82,486)
Shareholder advance	(3,707)
Prepaid expenses	(143,402)
Accounts payable and accrued liabilities	139,830
<b>Total operating activities</b>	<b>(670,995)</b>
<b>Investing activities</b>	
Purchase of property and equipment	(173,656)
<b>Total investing activities</b>	<b>(173,656)</b>
<b>Financing activities</b>	
Issuance of common shares for cash	1,227,418
Share issuance costs	(56,500)
<b>Total financing activities</b>	<b>1,170,918</b>
Net increase in cash	<b>326,267</b>
Cash, beginning of period	-
<b>Cash, end of period</b>	<b>326,267</b>

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

# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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### 1. Nature of business and going concern uncertainty

#### ***Nature of business***

CTC Pharma International Inc. ("CTC Pharma") was incorporated under the British Columbia Business Corporations Act on May 3, 2017. On September 11, 2017, CTC Pharma changed its name to Rapid Dose Therapeutics Inc. (the "Company")

The Company's office is located at 1100 Walker's Line, Suite 401, Burlington, ON., L7N 2G3.

Rapid Dose Therapeutics Inc. is a Canadian bio-technology company developing proprietary delivery technologies designed to improve patient and user outcomes.

#### ***Going concern uncertainty***

As at February 28, 2018 the Company has an accumulated deficit of \$1,501,862 since its inception on May 3, 2017. As at February 28, 2018, the Company has cash of \$326,267 and working capital of \$416,032. The Company will need to raise additional equity to finance its operations and complete the commercial launch of its products.

Although the Company has been successful in the past in obtaining financing and it believes that it will continue to be successful, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on terms that are advantageous to the Company. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

### 2. Basis of preparation

The consolidated financial statements of the Company for the period from the date of incorporation of May 3, 2017 to February 28, 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were approved by the Board of Directors and authorized for issue on December 5, 2018.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, RDT Therapeutics Inc. an in-active company registered in the state of Delaware, USA. All intercompany balances and transactions have been eliminated on consolidation.

#### **New standards and interpretations not yet adopted**

The following accounting standards issued by the IASB were not effective as at February 28, 2018. Management is currently evaluating the potential impact the adoption of these accounting pronouncements will have on the Company's consolidated financial statements.

#### ***IFRS 9, Financial Instruments: Classification and Measurement ("IFRS 9")***

In July 2014, the IASB issued the final version of IFRS 9 to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward looking "expected loss" impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.



# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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### 2. Basis of preparation (continued)

#### **New standards and interpretations not yet adopted (continued)**

##### ***IFRS 15, Revenue from Contracts with Customers (“IFRS 15”)***

In May 2014, the IASB issued IFRS 15, which supersedes IAS 11, *Construction Contracts*; IAS 16 *Revenue*; IFRIC 13, *Customer Loyalty Programmes*; IFRIC 15 *Agreements for Construction of Real Estate*; IFRIC 18, *Transfers of Assets from Customers*; and SIC 31, *Revenue-Barter Transactions Involving Advertising Services*. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

##### ***IFRS 16, Leases (“IFRS 16”)***

In January 2016, the IASB issued IFRS 16, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting period beginning on or after January 1, 2019, with earlier application permitted, provided the new revenue standard, IFRS 15, has been applied or is at the same date as IFRS 16.

### 3. Summary of significant accounting policies

#### **(a) Basis of measurement**

These consolidated financial statements have been prepared in Canadian dollars on a historical cost basis. Historical cost is generally based upon the fair value of the consideration given in exchange for assets. These consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Company.

#### **(b) Critical accounting estimates and judgements**

The preparation of these consolidated financial statements, in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Estimated useful lives, impairment considerations and depreciation of equipment is based on management’s judgement of the expected useful lives and planned uses for each respective asset in property and equipment.

The fair value of warrants is based on the application of the Black-Scholes option pricing model which relies on a number of estimates including the expected life of the warrant, the volatility of the underlying share price of similar companies and the risk-free rate of return.

#### **(c) Financial instruments**

All financial instruments must be recognized, initially, at fair value on the consolidated statement of financial position. The Company has classified each financial instrument into the following categories: “fair value through profit and loss,” “loans and receivables,” and “other financial liabilities.” Subsequent measurement of the financial instruments is based on their respective classification. Unrealized gains and losses on fair value through profit and loss instruments are recognized in earnings. The other categories of financial instruments are recognized at amortized cost using the effective interest method. The Company had made the following classifications:

# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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### 3. Summary of significant accounting policies (continued)

#### (c) Financial instruments (continued)

Financial asset or Liability	Category
Cash	Loans and receivables
Accounts receivable	Loans and receivables
Shareholder advance	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For certain categories of financial assets, such as accounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When a receivable amount is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted price 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.

# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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### 3. Significant accounting policies (continued)

#### *(d) Income taxes*

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### *(e) Plant and equipment*

Property and equipment are recorded at cost less accumulated amortization and accumulated impairment losses, if any. Property and equipment are initially recorded at cost. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Amortization is provided using the declining balance method at the following annual rates:

Research and development equipment	20%
Office equipment	20%

# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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### 3. Significant accounting policies (continued)

#### *(f) Impairment of non-financial assets*

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### *(g) Equity*

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the value of the proceeds received, net of direct issue costs.

#### *(h) Loss per common share*

Basic loss per share is computed by dividing the net loss applicable by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed by dividing the net loss by the sum of the weighted average number of common shares issued and outstanding during the reporting period and all additional common shares for the assumed exercise of options and warrants outstanding for the reporting period, if dilutive.

### 4. Accounts receivable

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	<b>February 28, 2018</b>
HST receivable	50,080
Subscription receivable	32,406
	<b>82,486</b>

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# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

### 5. Property and equipment

	February 28, 2018		
	Cost	Accumulated amortization	Net Book Value
	\$	\$	\$
Research and development equipment	170,056	(868)	179,188
Office equipment	3,600	(120)	3,480
	<b>173,656</b>	<b>(988)</b>	<b>172,668</b>

Depreciation for the period ended February 28, 2018 was \$988. The Company purchased research and development equipment of \$170,056 and office equipment of \$3,600 during the year ended February 28, 2018. Research and development equipment includes \$117,288 that is currently not yet ready for use.

### 6. Accounts payable and accrued liabilities

	February 28, 2018
Trade payables	79,072
Accrued liabilities	26,147
Related party – trade payables (Note 14)	34,611
	<b>139,830</b>

### 7. Share capital

#### (a) Authorized, issued and outstanding common shares

Authorized – Unlimited number of common shares without par value

Issued and outstanding – 54,331,200 at February 28, 2018

#### (b) Transactions

- (i) On May 3, 2017 the Company issued 1,200 common shares to the founders of the Company for gross proceeds of \$12. The Company issued each common share at a price of \$0.01 per share.
- (ii) On May 3, 2017, the Company issued 500,000 common shares to an external consultant to the Company for gross proceeds of \$10,000. Each common share was issued at a price of \$0.02 per share. Proceeds from this issuance remained receivable at year end February 28, 2018 (Note 4).
- (iii) On June 14, 2017, the Company completed a financing, issuing 276,925 common shares for gross proceeds of \$2,769. Each common share was issued at a price of \$0.01 per share. Proceeds from this financing remained receivable at year end February 28, 2018 (Note 4).
- (iv) On June 23, 2017, the Company completed a financing, issuing 981,825 common shares for gross proceeds of \$19,637. Each common share was issued at a price of \$0.02 per share. Proceeds from this financing remained receivable at year end February 28, 2018 (Note 4).

# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

### 7. Share capital (continued)

#### (b) Transactions (continued)

- (v) On November 6, 2017, the Company issued 840,000 units (the "Units"), as part of the February 21, 2018 financing, for gross proceeds of \$420,000. Each unit was issued at a price of \$0.50 per Unit and consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder, on exercise, to purchase one common share of the Company, at a price of \$0.75 per common share, for a period of five months subsequent to the date the Company's shares are first listed for trading on a stock exchange in Canada. A fair value of \$74,282 was assigned to these warrants using the Black-Scholes valuation model with the following assumptions: share price \$0.50, expected dividend yield 0%, expected volatility 90.29%, risk free rate of return 1.31% and an expected life of one year. The Company paid cash commissions of \$7,500 in relation to the issuance of these units.
- (vi) On February 21, 2018, the Company completed a financing, issuing 1,550,000 common shares for gross proceeds of \$775,000. Each common share was issued at a price of \$0.50 per share. The Company paid cash commissions of \$49,000 in relation to this financing.
- (vii) During the period ended February 28, 2018, the Company issued 50,181,250 common shares in exchange for services provided in the amount of \$919,644. Of these common shares issued, 30,876,250 were issued to executives of the Company in exchange for services provided in the amount of \$525,309.

### 8. Warrants

A summary of warrant activity during the period ended February 28, 2018 is as follows:

	February 28, 2018	
	Number of Warrants	Average Exercise Price
	#	\$
Outstanding beginning of year	-	-
Granted	840,000	0.75
Exercised	-	-
Expired	-	-
Outstanding end of year	<b>840,000</b>	<b>0.75</b>

At February 28, 2018, 840,000 warrants were outstanding. None of these warrants outstanding were exercisable at period end.

### 9. Commitments and contingencies

#### a) Legal matters

During the normal course of its operations, the Company may be involved in legal proceedings, claims and assessments. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. Legal fees for such matters are expensed as incurred and the Company accrues for adverse outcomes as they become probable and estimable. At February 28, 2018, accruals for adverse outcomes were \$nil.

#### b) Leases

Minimum lease payments under the current operating lease in respect of the office space used as \$25,000 for the fiscal period ending February 28, 2019.

# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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### 10. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate for the period ended February 28, 2018 is as follows:

	2018
	\$
Loss before recovery of income taxes	(1,501,862)
Expected income tax recovery	(397,990)
Non-deductible expenses	3,380
Change in tax benefits not recognized	394,610
	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences.

	2018
	\$
Non-capital losses carried forward	1,508,800
Property and equipment	(1,640)
Share issuance costs	49,040

The non-capital losses carried forward expire in 2038. Property and equipment may be carried forward indefinitely. Share issuance costs will be fully amortized in 2022.

### 11. Financial risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

#### a) Credit risk management

Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed or owing by the Company. Management's assessment of the Company's credit risk is low as it is primarily attributable to funds held in Canadian banks, sales tax recoverable from the federal government of Canada, where taxes are included in amounts receivable (Note 4) and amounts receivable from a shareholder of the Company (Note 14).

#### b) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interest. The Company intends on fulfilling its obligations.

As of February 28, 2018, the Company had cash of \$326,267 and other current assets of \$229,595 to settle current accounts payable, accrued liabilities of \$139,830.

# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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### 11. Financial risk management (continued)

#### c) Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as they affect the ability of the Company to develop or market its products and the future profitability of the Company.

##### (i) Price risk

The Company is exposed to price risk with respect to market prices of its products and manufacturing inputs. Price risk is remote since the Company is not a producing entity.

##### (ii) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to deposit excess cash in interest bearing accounts at its banking institutions.

Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interest rates that are reasonably possible over the next twelve-month period will not have a significant impact on the Company. The fair value of cash, accounts receivable, shareholder advances, accounts payable and accrued liabilities approximate carrying value due to the relatively short-term maturities of these instruments.

### 12. Capital risk management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets, as well as with consideration of externally imposed capital requirements. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

The Company considers cash, common shares and warrants reserve as its capital. During the period, the Company's strategy was to obtain enough capital to cover its expenses.

### 13. Related party transactions

Related parties include the members of the Board of Directors, key management personnel and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company.

Key management for the Company consists of the CEO, CFO and VP of Business Development. During the period ended February 28, 2018 the Company paid consulting fees of \$525,309 to key management of the Company. These consulting fees were paid out in cash and through the issuance of shares (Note 6(v)). At period end February 28, 2018, \$34,611 of consulting fees owed to key management was included in accounts payable (Note 6).

At year end February 28, 2018 a balance of \$3,707 was owed to the Company by a key management member for reimbursement of non-business expenses.



# Rapid Dose Therapeutics Inc.

## Notes to the Consolidated Financial Statements

From date of incorporation of May 3, 2017 to February 28, 2018

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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### 14. Letter of intent with Acme Resources Corp.

On February 6, 2018, the Company entered into a letter of intent with ACME Resources Corp. ("ACME") which defines the essential terms under which the parties intend to enter into a definitive binding agreement for the acquisition, by ACME, of 100% of the issued share capital of the Company in a proposed Reverse Take-Over transaction (the "Transaction"), payable by the issuance of up to 57,641,200 common shares of ACME, which shares include a private placement by the Company prior to the closing, for gross proceeds of up to \$2,280,000. Upon completion of the Transaction, ACME intends to change its name to Rapid Dose Therapeutics Corp.

### 15. Subsequent events

- (i) On July 11, 2018, the Company entered into a amended and restated definitive agreement (the "Definitive Agreement") with ACME pursuant to the proposed Transaction laid out in the letter of intent which was signed on February 6, 2018 (Note 14). The Company has agreed to pay a finder's fee on closing to an arm's length party equal to 7% of the total number of shares issued and outstanding at closing. Closing of the Definitive Agreement will be subject to approval by regulatory authorities and compliance with any required governmental and securities regulations and there is no guarantee that the Definitive agreement will close.
- (ii) On November 5, 2018, the Company entered into a Definitive Agreement with Aphria Inc. ("Aphria"), granting Aphria exclusive preferred global vendor status for the production and sales of the Company's Quickstrip Technology for both medicinal and adult-use cannabis markets around the world. The Definitive agreement will enable Aphria to License, manufacture, distribute and sell Quickstrip technology in Canada.
- (iii) From February 28, 2018 to November 23, 2018, the Company completed additional financings with the issuance of 10,410,000 common shares for gross proceeds of \$7,005,000. Of the common shares issued 3,210,000 common shares were issued at a price of \$0.50 per share and 7,200,000 common shares were issued as a price of \$0.75 per share. During this period, the Company issued an additionally 100,000 common shares in exchange for services provided in the amount of \$50,000.



## **Rapid Dose Therapeutics Inc.**

**Condensed Consolidated Interim Financial Statements  
For the Three Months and Six Months Ended August 31, 2018 and 2017**

*(All monetary amounts are in Canadian dollars, unless specified otherwise)*

# Rapid Dose Therapeutics Inc.

## Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

(In Canadian dollars)

	As at August 31, 2018 \$	As at February 28, 2018 (Audited) \$
<b>Assets</b>		
Current assets		
Cash	6,036,670	326,267
Accounts receivable (Note 4)	91,388	82,486
Employee advances (Note 12)	17,919	3,707
Prepaid expenses	195,206	143,402
	<b>6,341,183</b>	555,862
Long-term assets		
Property and equipment- Net (Note 5)	439,303	172,668
<b>Total assets</b>	<b>6,780,486</b>	728,530
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 6 and 12)	54,732	139,830
	<b>54,732</b>	139,830
<b>Shareholders' equity</b>		
Share capital		
Common shares (Note 7)	8,956,180	2,016,280
Warrants reserve (Note 8)	74,282	74,282
Deficit	<b>(2,304,708)</b>	(1,501,862)
Total shareholders' equity	<b>6,725,754</b>	588,700
<b>Total liabilities &amp; shareholders' equity</b>	<b>6,780,486</b>	728,530

Nature of operations and going concern uncertainty (Note 1)

Commitments and contingencies (Note 9)

Subsequent events (Note 13)

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

# Rapid Dose Therapeutics Inc.

## Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(In Canadian dollars)

	Three Months Ended August 31, 2018	Three Months Ended August 31, 2017	Six Months Ended August 31, 2018	From incorporation on May 3, 2017 to August 31, 2017
	\$	\$	\$	\$
<b>Expenses</b>				
Consulting fees	193,508	90,000	356,288	90,000
Office and administration	121,824	7,535	160,040	7,535
Research and development	102,761	28,000	125,911	28,000
Professional fees	24,284	22,283	52,767	22,283
Marketing and business development	29,697	18,698	49,611	18,698
Travel	16,864	885	33,100	885
Depreciation	12,378	-	21,326	-
Insurance	3,011	-	3,803	-
Operating loss	(504,327)	(167,401)	(802,846)	(167,401)
<b>Net loss and comprehensive loss for the period</b>	<b>(504,327)</b>	<b>(167,401)</b>	<b>(802,846)</b>	<b>(167,401)</b>
<b>Net loss per share</b>				
Basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted	56,892,204	33,327,504	55,802,007	33,327,504

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

# Rapid Dose Therapeutics Inc.

## Condensed Consolidated Interim Statements of Shareholders' Deficiency

(Unaudited)

(In Canadian dollars)

	Share capital		Warrants reserve	Deficit	Total Equity
	Number of shares	Amount			
		\$	\$	\$	\$
<b>Opening Balance, May 3, 2017</b>	-	-	-	-	-
Shares issued for services (Note 7(b)(i)(ii)(iii)(iv)(v))	2,599,950	452,418	-	-	452,418
Shares issued on private placement (Note 7(b)(vii))	46,049,117	853,823	-	-	853,823
Warrants issued on private placements (Note 7(b)(v))		(74,282)	74,282		-
Net loss and comprehensive loss for the period	-	-		(167,401)	(167,401)
<b>Balance, August 31, 2017</b>	48,649,067	1,231,959	74,282	(167,401)	1,128,910
Shares issued on private placements (Note 7(b)(vi))	1,550,000	775,000	-	-	775,000
Shares issued as payment for services (Note 7(b)(vii))	4,132,133	65,821	-	-	65,821
Share issuance costs (Note 7(b)(vi))	-	(56,500)	-	-	(56,500)
Net loss and comprehensive loss for the period	-	-	-	(1,334,461)	(1,334,461)
<b>Balance, February 28, 2018</b>	54,331,200	2,016,280	74,282	(1,501,862)	588,700
Shares issued on private placements (Note 7(b)(vii)(ix))	<b>10,410,000</b>	<b>7,005,000</b>	-	-	<b>7,005,000</b>
Share issued for as payment for services (Note 7(b)(x))	<b>100,000</b>	<b>50,000</b>	-	-	<b>50,000</b>
Share issuance costs (Note 7(b)(ix))		<b>(115,100)</b>	-	-	<b>(115,100)</b>
Net loss and comprehensive loss for the period	-	-	-	<b>(802,846)</b>	<b>(802,846)</b>
<b>Balance, August 31, 2018</b>	<b>64,841,200</b>	<b>8,956,180</b>	<b>74,282</b>	<b>(2,304,708)</b>	<b>(6,725,754)</b>

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

# Rapid Dose Therapeutics Inc.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)

(In Canadian dollars)

	Six months ended August 31, 2018	From incorporation on May 3, 2017 to August 31, 2017
	\$	\$
<b>Operating activities</b>		
Net loss for the period	<b>(802,846)</b>	(167,401)
Non-cash adjustments		
Depreciation	21,326	-
Changes in non-cash operating working capital items		
Accounts receivable	(8,902)	(828,716)
Employee advances	(14,212)	(66,220)
Prepaid expenses	(51,804)	(3,402)
Accounts payable and accrued liabilities	(85,098)	5,950
<b>Total operating activities</b>	<b>(941,538)</b>	(1,059,789)
<b>Investing activities</b>		
Purchase of property and equipment	(287,961)	-
<b>Total investing activities</b>	<b>(287,961)</b>	-
<b>Financing activities</b>		
Issuance of common shares	7,055,500	1,234,362
Share issuance costs	(115,100)	-
<b>Total financing activities</b>	<b>6,939,900</b>	1,234,362
Net increase in cash	<b>5,710,403</b>	174,573
Cash, beginning of period	326,267	-
<b>Cash, end of period</b>	<b>6,036,670</b>	174,573

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

# Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements  
(Unaudited)

Three months and Six Months Ended August 31, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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## 1. Nature of operations and going concern uncertainty

### *Nature of business*

CTT Pharma International Inc. ("CTC Pharma") was incorporated under the Canada Business Corporations Act of British Columbia on May 3, 2017. On September 11, 2017, CTC Pharma changed its name to Rapid Dose Therapeutics Inc. (the "Company")

The Company's office is located at 1121 Walker's Line, Unit 3, Burlington, ON., L7N 2G4.

Rapid Dose Therapeutics Inc. is a Canadian bio-technology company providing disruptive proprietary delivery technologies designed to improve patient and user outcomes.

### *Going concern uncertainty*

The Company will need to raise additional equity to finance its operations and complete the commercial launch of its products. Although the Company has been successful in the past in obtaining financing and it believes that it will continue to be successful, there is no assurance that it will be able to obtain adequate financing in the future, or that such financing will be on terms that are advantageous to the Company. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements have been prepared on a going concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

## 2. Basis of preparation

The Company's condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all information required for full annual financial statements. These condensed consolidated interim financial statements have been prepared using the same accounting policies described in Note 3 of the annual consolidated financial statements, except in relation to the adoption of new standards, as described below. These condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the period from incorporation on May 3, 2017 to February 28, 2018, which have been prepared in accordance with IFRS.

These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on December 5, 2018.

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, RDT Therapeutics Inc., a company registered in the state of Delaware, USA. All intercompany balances and transactions have been eliminated on consolidation.

# Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements  
(Unaudited)

Three months and Six Months Ended August 31, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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## 2. Basis of preparation (continued)

### **New standards and interpretations adopted**

In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments. IFRS 9 replaces the requirements in IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial assets and liabilities, impairment for financial assets and general hedge accounting. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below. The Company has taken an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings as at March 1, 2018. Accordingly, the information presented for the prior period from the date of incorporation, May 3, 2018 to February 28, 2018 does not reflect the requirements of IFRS 9 but rather those of IAS 39. The adoption of IFRS 9 did not have any significant impact on the condensed consolidated interim financial statements of the Company.

The classification and measurement of financial assets is determined on the basis of the Company's business model for managing financial assets and their contractual cash flow characteristics.

The Company does not have any hedge accounting relationship, thus there is no impact on adoption of IFRS 9.

### ***IFRS 15, Revenue from Contracts with Customers ("IFRS 15")***

In August 2014, the IASB issued IFRS 15, which supersedes IAS 11, *Construction Contracts*; IAS 16 *Revenue*; IFRIC 13, *Customer Loyalty Programmes*; IFRIC 15 *Agreements for Construction of Real Estate*; IFRIC 18, *Transfers of Assets from Customers*; and SIC 31, *Revenue-Barter Transactions Involving Advertising Services*. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The adoption of IFRS 15 did not have any significant impact on the condensed consolidated interim financial statements of the Company.

### **New standards and interpretations not yet adopted**

The following accounting standards issued by the IASB were not effective as at August 31, 2018. Management is currently evaluating the potential impact the adoption of these accounting pronouncements will have on the Company's condensed consolidated interim financial statements.

### ***IFRS 16, Leases ("IFRS 16")***

In January 2016, the IASB issued IFRS 16, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting period beginning on or after January 1, 2019, with earlier application permitted, provided the new revenue standard, IFRS 15, has been applied or is at the same date as IFRS 16.



# Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements  
(Unaudited)

Three months and Six Months Ended August 31, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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## 3. Summary of significant accounting policies

### Basis of measurement

These condensed consolidated interim financial statements have been prepared in Canadian dollars on a historical cost basis. Historical cost is generally based upon the fair value of the consideration given in exchange for assets. These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Company.

### Critical accounting estimates and judgements

The preparation of these condensed consolidated interim financial statements, in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of expenses during the period. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Estimated useful lives, impairment considerations and depreciation of equipment is based on management's judgement of the expected useful lives and planned uses for each respective asset in property and equipment.

The fair value of warrants is based on the application of the Black-Scholes option pricing model which relies on a number of estimates including such as the expected life of the warrant, the volatility of the underlying share price of similar companies and the risk-free rate of return.

## 4. Accounts receivable

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	As at August 31, 2018	As at February 28, 2018
	\$	\$
HST receivable	<b>81,388</b>	50,080
Subscription receivable (Note 7(b)(viii))	<b>10,000</b>	32,406
	<b>91,388</b>	<b>82,486</b>

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# Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements  
(Unaudited)

Three months and Six Months Ended August 31, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

## 5. Property and equipment

	February 28, 2018		
	Cost	Accumulated amortization	Net Book Value
	\$	\$	\$
Research and development equipment	170,056	(868)	169,188
Office equipment	3,600	(120)	3,480
	<b>173,656</b>	<b>(988)</b>	<b>172,668</b>

	August 31, 2018		
	Cost	Accumulated amortization	Net Book Value
	\$	\$	\$
Processing equipment	411,130	(17,790)	393,340
Office equipment	31,966	(4,146)	27,820
Leaseholds	18,520	(377)	18,143
	<b>461,616</b>	<b>(22,313)</b>	<b>439,303</b>

Depreciation for the six-month period ended August 31, 2018 was \$21,326 (\$nil for the period from incorporation on May 3, 2017 to August 31, 2017).

## 6. Accounts payable and accrued liabilities

	As at August 31, 2018	As at February 28, 2018
Trade payables	41,110	79,072
Accrued liabilities	13,622	26,147
Related party – trade payables (Note 12)	-	34,611
	<b>54,732</b>	<b>139,830</b>

# Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements  
(Unaudited)

Three months and Six Months Ended August 31, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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## 7. Share capital

### (a) Authorized, issued and outstanding common shares

Authorized – Unlimited number of common shares without par value

Issued and outstanding – 64,841,200 at August 31, 2018

### (b) Transactions

- (i) On May 3, 2017 the Company issued 1,200 common shares to the founders of the Company for gross proceeds of \$12. The Company issued each common share at a price of \$0.01 per share.
- (ii) On June 14, 2017, the Company completed a financing, issuing 276,925 common shares for gross proceeds of \$2,769. Each common share was issued at a price of \$0.01 per share..
- (iii) On June 23, 2017, the Company completed a financing, issuing 981,825 common shares for gross proceeds of \$19,637. Each common share was issued at a price of \$0.02 per share.
- (iv) On June 23, 2017, the Company issued 500,000 common shares to an external consultant to the Company for gross proceeds of \$10,000. Each common share was issued at a price of \$0.02 per share.
- (v) On November 6, 2017, the Company issued 840,000 units (the “Units”) for gross proceeds of \$420,000. The Company issued each Unit at a price of \$0.50 per Unit, with each unit consisting of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder, on exercise, to purchase one common share of the Company for a period of five months subsequent to the date the Company’s shares are first listed for trading on a Stock Exchange in Canada, at a price of \$0.75 per share. A fair value of \$74,282 was assigned to these warrants using the Black-Scholes valuation model with the following assumptions: share price \$0.50, expected dividend yield 0%, expected volatility 90.29%, risk free rate of return 1.31% and an expected life of one year.
- (vi) On February 21, 2018, the Company completed a financing, issuing 1,550,000 common shares for gross proceeds of \$775,000. Each common share was issued at a price of \$0.50 per share. The Company paid cash commissions of \$56,500 in relation to this financing.
- (vii) During the year ended February 28, 2018, the Company issued 50,181,250 common shares in exchange for services provided in the amount of \$919,644. Of these common shares issued, 30,876,250 were issued to executives of the Company in exchange for services provided in the amount of \$525,309.
- (viii) During the six-month period ended August 31, 2018, the Company issued 3,210,000 common shares for gross proceeds of \$1,605,000. Each common share was issued at a price of \$0.50 per share. The Company paid cash commissions of \$115,100 in relation to this private placement. As at August 31, 2018, proceeds of \$10,000 remained outstanding and receivable.
- (ix) During the six-month period ended August 31, 2018, the Company issued 7,200,000 common shares for gross proceeds of \$5,400,000. Each common share was issued at a price of \$0.75 per share.
- (x) During the three-month period ended August 31, 2018, the Company issued 100,000 common shares in exchange for services provided in the amount of \$50,000.

# Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements  
(Unaudited)

Three months and Six Months Ended August 31, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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## 8. Warrants reserve

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

	Number of Warrants	Average Exercise Price
	#	\$
Opening balance, May 3, 2017	-	-
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding, August 31, 2017	-	-
Granted	840,000	0.75
Exercised	-	-
Expired	-	-
Outstanding, February 28, 2018	840,000	0.75
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding, August 31, 2018	<b>840,000</b>	<b>0.75</b>

At August 31, 2018, 840,000 warrants were outstanding. None of the warrants outstanding were exercisable at August 31, 2018.

## 9. Commitments and contingencies

### (a) Legal matters

During the normal course of its operations, the Company may be involved in legal proceedings, claims and assessments. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. Legal fees for such matters are expensed as incurred and the Company accrues for adverse outcomes as they become probable and estimable. At August 31, 2018, accruals for adverse outcomes were \$nil. (\$nil as at February 28, 2018).

### (b) Leases

Minimum lease payments under the current operating lease in respect of the office space used is \$50,000 for the period expiring March 31, 2019.

# Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements  
(Unaudited)

Three months and Six Months Ended August 31, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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## 10. Financial risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

### a) Credit risk management

Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed or owing by the Company. Management's assessment of the Company's credit risk is low as it is primarily attributable to funds held in Canadian banks, sales tax recoverable from the federal government of Canada, where taxes are included in amounts receivable (Note 6), and amounts receivable from a shareholder of the Company (Note 12).

### b) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interest. The Company intends on fulfilling its obligations.

As of August 31, 2018, the Company had a cash balance of \$6,036,670 and other current assets of \$304,513 to settle current accounts payable, accrued liabilities of \$54,732.

### c) Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as they affect the ability of the Company to develop or market its products and the future profitability of the Company.

#### (i) Price risk

The Company is exposed to price risk with respect to market prices of its products and manufacturing inputs. Price risk is remote since the Company is not a producing entity.

#### (ii) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to deposit excess cash in interest bearing accounts at its banking institutions.

Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interest rates that are reasonably possible over the next twelve-month period will not have a significant impact on the Company. The fair value of cash, accounts receivable, shareholder advances, accounts payable and accrued liabilities approximate carrying value due to the relatively short-term maturities of these instruments.

# Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements  
(Unaudited)

Three months and Six Months Ended August 31, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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## 11. Capital risk management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets, as well as with consideration of externally imposed capital requirements. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

The Company considers cash, common shares and warrants reserve as its capital. During the period, the Company's strategy was to obtain enough capital to cover its expenses.

## 12. Related party transactions

Related parties as defined by IAS 24 Related Party Disclosures include the members of the Board of Directors, key management personnel and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company.

Employee Advances of \$17,919 (February 28, 2018- \$3,707) are unsecured and have no fixed terms of repayment.

Included in accounts payable and accrued liabilities are \$13,622 (February 28, 2018- \$21,200) due to an employee.

Key management consists of the Chair of the Board of Directors, Chief Executive Officer and Chief Financial officer. Key management compensation for the period ended August 31, 2018 was \$159,900 (period ending August 31, 2017- \$nil).

## 13. Subsequent events

On February 6, 2018, the Company entered into a letter of intent with ACME Resources Corp. ("ACME") which defines the essential terms under which the parties intend to enter a definitive binding agreement for the acquisition, by ACME, of 100% of the issued share capital of the Company in a proposed reverse take over transaction (the "Transaction"), payable by the issuance of up to 57,641,200 common shares of ACME, which shares include a private placement by the Company prior to the closing, for gross proceeds of up to \$2,280,000. Upon completion of the Transaction, ACME intends to change its name to Rapid Dose Therapeutics Corp.

On July 11, 2018, the Company entered into an amended and restated definitive agreement (the "Definitive Agreement") with ACME pursuant to the proposed Transaction laid out in the letter of intent noted above. The Company has agreed to pay a finder's fee on closing to an arm's length party equal to 7% of the total number of shares issued and outstanding at closing. Closing of the Definitive Agreement will be subject to approval by regulatory authorities and compliance with any required governmental and securities regulations, and there is no guarantee the Definitive Agreement will close.

# Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements  
(Unaudited)

Three months and Six Months Ended August 31, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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## 13. Subsequent events (continued)

On November 5, 2018, the Company entered into a Definitive Agreement with Aphria Inc. ("Aphria"), granting Aphria exclusive preferred global vendor status for the production and sales of the Company's Quickstrip Technology for both medicinal and adult-use cannabis markets around the world. The Definitive agreement will enable Aphria to License, manufacture, distribute and sell Quickstrip technology in Canada.

**APPENDIX “E”**

**Management’s Discussion and Analysis of  
Rapid Dose Therapeutics Inc.’s consolidated financial statements  
for the period from incorporation on May 3, 2017 to February 28, 2018  
and  
Management’s Discussion and Analysis of  
Rapid Dose Therapeutics Inc.  
for the six months ended August 31, 2018**



# **RAPID DOSE THERAPEUTICS INC.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018**

**DATE – DECEMBER 5, 2018**

The following Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the audited financial statements and the accompanying notes of Rapid Dose Therapeutics Inc. ("**RDT**" or the "**Company**" or the "**Corporation**") from RDT's date of incorporation of May 3, 2017 to February 28, 2018 (the "**Financial Statements**").

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise stated.

The financial information in this MD&A is derived from the Company's Financial Statements prepared in accordance with IFRS. This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

### **FORWARD LOOKING STATEMENTS**

*This MD&A may include certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These 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 such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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.*

### **DESCRIPTION OF THE BUSINESS, RECENT COMPANY EVENTS AND PROPOSED TRANSACTION**

The Corporation was incorporated as CTC Pharma International Inc. ("**CTC Pharma**") under the *Business Corporations Act (British Columbia)* on May 3, 2017. On September 11, 2017, CTC Pharma changed its name to Rapid Dose Therapeutics Inc. The Company was founded with the intention of developing and acquiring assets, which could be used to deliver active ingredients, and over the counter products for medicinal, health and recreational applications.

## RAPID DOSE THERAPEUTICS INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018

RDT is a private Canadian bio-technology corporation which provides proprietary enhanced drug delivery technologies designed to improve patient outcomes. RDT owns a proprietary oral fast-dissolving drug delivery system, QuickStrip™, which is capable of rapidly releasing into the blood stream a list of pharmaceuticals, emulsified oils and over-the-counter medicines without being degraded or modified by first pass metabolism in the liver. RDT also provides product innovation, production and consultation to the pharmaceutical and healthcare manufacturing industry.

RDT continues to execute on its strategy to enter the nutraceutical/over-the-counter sector, initially through completion of a distribution agreement providing the distributor the rights to sell nutraceuticals and over-the-counter products under RDT's brand name QuickStrip™.

There is a worldwide market for RDT's QuickStrip™ nutraceutical and OTC products. RDT is sourcing distribution in other countries in order to take advantage of the production capabilities RDT has acquired through its nutraceutical co-packing supply agreement. The U.S. market provides a significant second opportunity with its large complement of national retailers. Following the introduction of RDT's QuickStrip™ in the Canadian market, RDT will target U.S. market entry.

On May 29, 2017, RDT entered into an asset purchase agreement ("APA") with CTT Pharmaceuticals, Holdings, Inc. ("CTT") to acquire CTT's patents, technology and processes for an oral fast-dissolving drug delivery system.

On September 11, 2017, the Company changed its name to Rapid Dose Therapeutics Inc. to more effectively communicate its business purpose and move its business name away from CTC Pharmaceuticals Holdings Inc.

On October 31, 2017, RDT terminated the APA to acquire the assets of CTT as a result of RDT being unable to satisfy its due diligence requirements and obtain sufficient comfort with respect to the representations of CTT.

On November 15, 2017, RDT entered into a distribution agreement with HED International Inc., situated in Ringoes, New Jersey, USA, an equipment manufacturer, providing RDT with the exclusive right to supply the manufacturer's oral dissolvable thin-film production equipment to the Canadian cannabis sector. RDT may also supply the manufacturer's oral dissolvable thin-film production equipment to other sectors in Canada and to other markets but does not have any exclusive rights in those other sectors or markets.

On February 6, 2018, RDT and Acme Resources Corp. ("ACME") signed a letter of intent ("LOI") for a transaction which would constitute a proposed reverse take-over of ACME. The intent is for the parties then entered into a definitive binding agreement (the "**Definitive Agreement**") for the acquisition by ACME of 100% of the issued share capital of RDT in a reverse take-over transaction (the "**Transaction**"), payable by the issuance of up to 57,641,200 common shares of ACME, which number of shares included a proposed private placement by RDT (the "**RDT-PP**") prior to closing for gross proceeds of up to \$2,280,000. The Definitive Agreement was amended and restated as of June 30, 2018 (the "**Amalgamation Agreement**").

Completion of the Amalgamation Agreement is subject to approval of regulatory authorities and compliance with any required governmental and securities regulations. Closing is also conditional on approval for listing of the ACME shares on a stock exchange in Canada – proposed to be the Canadian Securities Exchange. ACME intends to change its name to RAPID DOSE THERAPEUTICS CORP., or

## **RAPID DOSE THERAPEUTICS INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018**

another name as appropriate. *There is no guarantee that the Amalgamation Agreement will be completed.*

On January 17, 2018, the Company incorporated a subsidiary, RDT Therapeutics Inc. in the State of Delaware to own and manage its operations in the United States.

On January 26, 2018 the Company engaged Market One Media Group Inc. to provide a public and media public relations campaign and content services across a broad spectrum of business and social networks. The services commenced on January 26, 2018 for a one-year term.

RDT entered into a research support agreement, effective March 1, 2018, with the McMaster University Chemistry Faculty to provide academic research support for RDT's technical testing of the materials, processes and the chemistry of oral dissolvable thin films.

#### **RESULTS OF OPERATIONS AND OVERALL PERFORMANCE**

For the period from incorporation of May 3, 2017 to February 28, 2018, the Company reported a net loss of \$1,501,862. The operating expenses comprised of marketing and business development of \$47,717, consulting fees of \$991,346, professional fees of \$90,606, research and development \$239,548, travel \$89,285, office, general and administration fees of \$42,372 and depreciation of \$988. Since this is the first fiscal period since incorporation, there are no prior period results for comparison purposes.

The foregoing costs incurred by the Company primarily relate to fees incurred in connection the operation of a startup company. Consulting fees were high for the period as a result of management's effort to obtain financing and to find, secure and complete a business combination transaction with ACME.

On May 3, 2017, the Company issued 1,200 common shares to the founder of the Company for gross proceeds of \$12. The Company issued each common share at a price of \$0.01 per share.

On May 3, 2017, the Company issued 500,000 common shares to an external consultant to the Company for gross proceeds of \$10,000. Each common share was issued at a price of \$0.02 per share. Proceeds from this issuance remained receivable at the date of the Financial Statements, February 28, 2018. The proceeds of this financing were received by the Company prior to the date of this MD&A.

On June 14, 2017, the Company completed a financing, issuing 276,925 common shares for gross proceeds of \$2,769. Each common share was issued at a price of \$0.01 per share. Proceeds from this financing remained receivable at the date of the Financial Statements, February 28, 2018. The proceeds of this financing were received by the Company prior to the date of this MD&A.

On June 23, 2017, the Company completed a financing, issuing 891,825 common shares for gross proceeds of \$17,837 and 90,000 common shares for gross proceeds of \$4500. Each common share was issued at a price of \$0.02 per share and \$0.05 per share, respectively. Proceeds from this financing remained receivable at the date of the Financial Statements, February 28, 2018. The proceeds of this financing were received by the Company prior to the date of this MD&A.

On November 6, 2017, the Company issued 840,000 units (the "**Units**"), as part of the February 21, 2018 financing, for gross proceeds of \$420,000. Each unit was issued at a price of \$0.50 per Unit and consisted

## RAPID DOSE THERAPEUTICS INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018

of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder, on exercise, to purchase one common share of the Company, at a price of \$0.75 per common share, for a period of five months subsequent to the date the Company's shares are first listed for trading on a stock exchange in Canada. A fair value of \$74,282 was assigned to these warrants using the Black-Sholes valuation model with the following assumptions: share price \$0.50, expected dividend yield 0%, expected volatility 90.29%, risk-free rate of return 1.31% and an expected life of one year. The Company paid cash finders' fees of \$7,500 in relation to the issuance of the Units.

On February 21, 2018, the Company completed a financing issuing 1,550,000 common shares for gross proceeds of \$775,000. Each common share was issued at a price of \$0.50 per share. The Company paid cash finders' fees of \$49,000 in relation to this financing.

During the period ended February 28, 2018, the Company issued 50,181,250 common shares in exchange for services provided in the amount of \$916,944. Of these common shares issued, 30,876,250 were issued to executives of the Company in exchange for services provided in the amount of \$525,309.

On June 30, 2018, the Company completed a private placement of 4,560,000 common shares for gross proceeds of \$2,280,000. Each common share was issued at a price of \$0.50 per share. The Company paid finders fees of \$68,200 in relation to the issuances of these shares.

As of the end of the period ended February 28, 2018, the Company had outstanding 54,331,200 common shares and 840,000 warrants. As of the date of this MD&A, the Company has outstanding 57,641,200 common shares and 840,000 warrants.

#### **SELECT ANNUAL INFORMATION**

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's audited Financial Statements for the period ended February 28, 2018:

<b>Financial Results</b>	<b>Period ended February 28, 2018</b>
Total revenues	Nil
Net loss and comprehensive net loss for the period	(\$1,501,862)
Basic and diluted net loss per share	(\$0.04)
Total assets	\$728,530
Current liabilities	\$139,830

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

#### **LIQUIDITY**

During the period ended February 28, 2018 and from the end of that period to the date of this MD&A, the Company has not generated any revenues from operations. The Company has been financed to date through equity financing and it expects that it will be able to do so in the future until it generates cash flows from operations.

# **RAPID DOSE THERAPEUTICS INC.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018**

As of February 28, 2018, the Company had cash of \$326,267 and other current assets of a total of \$555,862 to settle current accounts payable, accrued liabilities of \$139,830. The Company's cash position is sufficient to meet short-term obligations. The Company may require additional funds to complete its currently anticipated business development plans. The Company currently relies on private placements for funding.

As of the date hereof, the Company has minimum lease payments under the current operating lease in respect of the office space used as \$25,000 for the fiscal period ending February 28, 2019. Subject to the current operating lease, the Company did not have any other commitments for capital expenditures, and the Company does not anticipate any such commitments until it consummates its business transaction.

#### **CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at February 28, 2018, the Company's shareholders' equity was a deficit of \$1,501,862. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to develop its business, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company's sole source of capital has been from the issuance of common shares.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements as at February 28, 2018 or as of the date of this MD&A.

#### **TRANSACTIONS WITH RELATED PARTIES**

Related parties include members of the Board of Directors, key management personnel and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company.

Key management for the Company consists of the CEO, CFO and VP of Business Development. During the period ended February 28, 2018 the Company paid consulting fees of \$525,309 to key management of the Company. These consulting fees were paid out in cash and through the issuance of shares. At period end February 28, 2018, \$34,611 of consulting fees owed to key management was included in accounts payable.

At the period ended February 28, 2018, a balance of \$3,707 was owed to the Company by a key management member for reimbursement of non-business expenses.

#### **FINANCIAL INSTRUMENTS**

Financial instruments include cash and accounts payable and accrued liabilities. The estimated fair value of these financial instruments approximates their carrying values because of the short term to maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. In regards to liquidity risk, the Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

## **RAPID DOSE THERAPEUTICS INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018**

With respect to capital risk management, the Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of cash portion to risk and manages the capital structure and makes adjustments to it in light of current economic conditions and the risk characteristics of the underlying assets, as well as with consideration of externally imposed capital requirements. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

The Company considers cash, common shares and warrants reserve as its capital. During the period ended February 28, 2018, the Company's strategy was to obtain enough capital to cover its expenses.

As of February 28, 2018, the Company had cash of \$326,267 and other current assets of a total of \$555,862 to settle current accounts payable, accrued liabilities of \$139,830. The ability of the Company to survive is dependent on accommodations from its suppliers and other creditors and its ability to secure additional equity or other financings.

#### **CRITICAL ACCOUNTING ESTIMATES**

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and form the basis for the following discussion and analysis of critical accounting policies and estimates. The Company makes estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities during the course of preparing these financial statements.

Management has made a number of significant estimates and valuation assumptions, including valuation of warrants, going concern assumption, deferred income tax recognition and disclosures of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions are based on present conditions and management's planned course of action as well as assumptions about future business and economic conditions. Should the underlying estimates change, the recorded amounts could change by a material amount.

For a detailed summary of the Company's significant accounting policies, see Note 3 of the Notes to the audited Financial Statements from date of incorporation of May 3, 2017 to February 28, 2018.

#### **ACCOUNTING AND REPORTING CHANGES**

##### **Effective for annual periods beginning on or after January 1, 2018**

IFRS 9, Financial Instruments – Classification and Measurement, is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

## **RAPID DOSE THERAPEUTICS INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018**

In May 2014, the IASB issued IFRS 15, which supersedes IAS 11, *Construction Contracts*; IAS 16 *Revenue*; IFRIC 13, *Customer Loyalty Programmes*; IFRIC 15 *Agreements for Construction of Real Estate*; IFRIC 18, *Transfers of Assets from Customers*; and SIC 31, *Revenue-Barter Transactions Involving Advertising Services*. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

In January 2016, the IASB issued IFRS 16, which requires Lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting period beginning on or after January 1, 2019, with earlier application permitted provided that new revenue standard, IFRS 15 has been applied or is at the same date as IFRS 16.

The Company has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

#### **RISKS AND UNCERTAINTIES**

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objective. The main objectives of the Company's risk management processes are to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below:

a) **Credit Risk Management**

Credit risk is the risk client or vendor will be unable to pay or receive any amounts owed or owing by the Company. Management's assessment of the Company's credit risk is low as it is primarily attributable to funds held in Canadian banks, sales tax recoverable from the federal government of Canada, where taxes are included in amounts receivable and amounts receivable from a shareholder of the Company.

b) **Liquidity Risk**

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interest. The Company intends on fulfilling its obligations.

As of February 28, 2018, the Company had cash of \$326,267 and other current assets of a total of \$555,862 to settle current accounts payable, accrued liabilities of \$139,830.

c) **Market Risk**

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as they affect the ability of the Company to develop or market its product and the future

## RAPID DOSE THERAPEUTICS INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018

profitability of the Company.

d) Price Risk

The Company is exposed to price risk with respect to market prices of the products and manufacturing inputs. Price risk is remote since the Company is not a producing entity.

e) Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to deposit excess cash in interest bearing accounts at its banking institutions.

Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interests rates are reasonably possible over the next twelve month period will not have a significant impact on the Company. The fair value of cash, accounts receivable, shareholder advances, accounts payable and accrued liabilities approximately carrying value due to the relatively short-term maturities of these instruments.

f) Regulatory Risk and Changes in Laws

The QuickStrip™ medical delivery device requires the approval of Health Canada under *The Access to Cannabis for Medical Purposes Regulations* ("ACMPR") to enable RDT's Canadian Licensed Producer customers the right to sell cannabis oil as a QuickStrip™. There is no assurance, at this time, that an application by RDT's LP customers will result in an approval of the oral thin film strip as an allowable delivery device under present ACMPR regulations. Future amendments to the ACMPR, governing the production and distribution of edibles in Canada will create an additional opportunity for the approval of the strip as an allowable delivery device. There is presently no fixed timeline as to when when the amendments to the ACMPR will occur. RDT believes the device has consumer benefits merit and the required scientific data supporting the process used by Health Canada in approving the oral thin film strip.

RDT's cannabis grower customers are subject to a variety of laws, regulations and guidelines relating to the manufacture of cannabis and cannabis-related products as well as laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

Changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to the Company's Canadian operations with its Canadian licensed cannabis producer customers.

Any forward-looking information in this MD&A 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.



# **RAPID DOSE THERAPEUTICS INC.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018**

### **OTHER MATTERS**

#### **Legal proceedings**

There are no ongoing legal proceedings of any kind initiated by the Company or by third parties against the Company.

#### **Contingent liabilities**

At the date of MD&A, management was unaware of any outstanding contingent liability relating to the Company's activities.

#### **Disclosure Controls and Procedures**

The Chief Executive Officer and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

#### **Business Risks**

The Company has a limited history of operations. External financing, primarily through the issuance of common shares will be required to fund the Company's activities. There can be no assurance that the Company will be able to obtain adequate financing. The Securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities:

Dilution: There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

Revenues and Dividends: The Company has no revenues and does not expect to have any revenues in the foreseeable future. In the event that the Company generates any meaningful revenues in the future, then the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

### **OUTLOOK**

The Company's primary focus for the foreseeable future will be completing the Transaction.

### **APPROVAL**

## **RAPID DOSE THERAPEUTICS INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **FROM DATE OF INCORPORATION ON MAY 3, 2017 TO FEBRUARY 28, 2018**

The Board of Directors of the Company has approved the disclosures contained in this MD&A.

#### **EVENTS AFTER THE REPORTING DATE AND COMMITMENTS**

On April 9, 2018, the Company announced that it had entered into a definitive agreement with Acme Resources Corp. ("ACME") to acquire 100% of the issued share capital of RDT in a reverse take-over transaction payable by the issuance of up to 57,641,200 common shares of ACME, which shares will include a private placement by RDT, prior to closing, for gross proceeds of up to \$2,280,000.

Closing of the Definitive Agreement will be subject to approval by regulatory authorities and compliance with any required governmental and securities regulations. Closing will also be conditional on approval for listing of the ACME shares on the Canadian Securities Exchange. ACME intends to change its name to RAPID DOSE THERAPEUTICS CORP., or another name as appropriate. *There is no guarantee that the Definitive Agreement will close.*

The parties have agreed to pay a finder's fee on closing to Gambier Holdings Corp., an arm's length party, equal to 7% of the total number of shares issued and outstanding as at closing. Gambier was paid a finder's fee of \$35,000 on completion of the RDT-PP. On successful completion of the Transaction, the Resulting Issuer is expected to pay approximately 4,333,517 Common Shares to Gambier. Gambier is an "accredited investor" within the meaning of applicable securities legislation. The securities issued to Gambier will be issued subject to a regulatory "hold period" restricting Gambier from selling or otherwise trading such securities until four months plus one day after the date of issuance.

Upon closing of the Definitive Agreement, the Company will have up to 67,310,907 issued and outstanding common shares of which approximately 8% will comprise the existing ACME shareholders, and approximately 85% will comprise the former RDT shareholders.

As of June 30, 2018, the Company completed additional financings with the issuance of any additional 3,310,000 common shares for gross proceeds of \$1,655,000. Each common share issued at a price of \$0.50 per share.

#### **DIRECTORS AND OFFICERS**

Mark Upsdell, *President, Chief Executive Officer and Director*

Lino Fera, *Chief Financial Officer*

Jason Lewis, *Senior Vice-President of Business Development and Director*

#### **DISCLOSURE OF OUTSTANDING SECURITIES AS AT December 5, 2018**

Outstanding common shares:	<b>64,841,200</b>
Share purchase and finders warrants:	840,000
Stock options:	nil
Fully diluted:	<b>65,681,200</b>

# **RAPID DOSE THERAPEUTICS INC.**

## **INTERIM MD&A**

### **FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

**DATE: DECEMBER 5, 2018**

The following is the Interim Management's Discussion and Analysis ("**MD&A**") of the business activities including the financial condition and results of operations of Rapid Dose Therapeutics Inc. ("**RDT**" or the "**Company**") for the six months ended August 31, 2018 prepared as at November 7, 2018. This MD&A should be read in conjunction with the condensed unaudited interim consolidated financial statements for the six months ended August 31, 2018 and the notes thereto which were prepared in accordance with IAS 34 – Interim Financial Reporting (the "**Financial Statements**").

The Company prepares its financial statements in accordance with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise stated.

The financial information in this MD&A is derived from the Company's Financial Statements prepared in accordance with IFRS. The reader should also consult the Company's condensed audited annual consolidated financial statements for the period from incorporation on May 3, 2017 to February 28, 2018 and the notes thereto and the condensed unaudited interim consolidated financial statements for the six months ended August 31, 2018 and the notes thereto, which have been prepared in accordance with IFRS.

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of events and risk factors beyond its control. Actual results may differ materially from the expected results.

#### **FORWARD-LOOKING STATEMENTS**

*This MD&A may include certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters, are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These 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 such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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.*

#### **DESCRIPTION OF THE BUSINESS, RECENT COMPANY EVENTS AND PROPOSED TRANSACTION**

The Company was incorporated as CTC Pharma International Inc. ("**CTC Pharma**") under the *Business Corporations Act* (British Columbia) on May 3, 2017. On September 11, 2017, CTC Pharma changed its

# RAPID DOSE THERAPEUTICS INC.

## INTERIM MD&A

### FOR THE SIX MONTHS ENDED AUGUST 31, 2018

name to Rapid Dose Therapeutics Inc. The Company was founded with the intention of developing and acquiring assets which could be used to deliver active ingredients and over-the-counter products for medicinal, health and recreational applications.

RDT is a private Canadian bio-technology corporation which provides proprietary enhanced drug delivery technologies designed to improve patient outcomes. RDT owns a proprietary oral fast-dissolving drug delivery system, QuickStrip™, which is capable of rapidly releasing into the blood stream a list of pharmaceuticals, emulsified oils and over-the-counter medicines without being degraded or modified by first pass metabolism in the liver. RDT also provides product innovation, production and consultation to the pharmaceutical and healthcare manufacturing industry.

RDT continues to execute on its strategy to enter the nutraceutical/over-the-counter sector initially through the completion of distribution agreements for the rights to sell nutraceuticals and over-the-counter products under RDT's brand name QuickStrip™ by distributors.

There is a worldwide market for RDT's QuickStrip™ nutraceutical and OTC products. RDT is sourcing distribution in other countries in order to take advantage of the production capabilities RDT has acquired through its nutraceutical co-packing supply agreement. The U.S. market provides a significant second opportunity with its large complement of national retailers.

On May 29, 2017, RDT entered into an asset purchase agreement (“**APA**”) with CTT Pharmaceuticals, Holdings, Inc. (“**CTT**”) to acquire CTT's patents, technology and processes for an oral fast-dissolving drug delivery system. The APA was terminated on October 31, 2017 as a result of RDT being unable to satisfy its due diligence requirements and obtain sufficient comfort with respect to the representations of CTT.

On September 11, 2017, the Company changed its name to Rapid Dose Therapeutics Inc. to more effectively communicate its business purpose and move its business name away from CTC.

On November 15, 2017, the Company entered into a distribution agreement with HED International Inc. (“**HED**”). HED is an equipment manufacturer located in Ringoes, New Jersey, USA, which has provided the Company with the exclusive right to supply HED's oral dissolvable thin-film production equipment to the Canadian cannabis sector. The Company may also supply HED's oral dissolvable thin-film production equipment to other sectors in Canada and to other markets but does not have any exclusive rights in those other sectors or markets.

The Company entered into an agreement with Gambier Holdings Corp. (“**Gambier**”) dated November 30, 2017 engaging Gambier to provide merger and acquisition services. RDT agreed to pay to Gambier fees equal to (i) a retainer fee equal to 7% of the number of common shares issued and outstanding on the date of the agreement, (ii) a cash finder's fee equal to 7% of the proceeds of any equity financing completed by the Company with investors introduced by Gambier, and (iii) an M&A fee equal to 7% of the number of shares to be issued to the Company's shareholders on completion of a reverse take-over transaction less any such shares issued on a private placement in respect of which Gambier received a finder's fee or its retainer fee.

On January 17, 2018, the Company incorporated a subsidiary, RDT Therapeutics Inc., in the State of Delaware to own and manage its operations in the United States.

## RAPID DOSE THERAPEUTICS INC.

### INTERIM MD&A

#### FOR THE SIX MONTHS ENDED AUGUST 31, 2018

On January 26, 2018, the Company engaged Market One Media Group Inc. to provide public and media public relations campaign and content services across a broad spectrum of business and social networks. The services commenced on January 26, 2018 for a one-year term.

On February 6, 2018, RDT and Acme Resources Corp. (“ACME”) signed a letter of intent (“LOI”) followed by a Definitive Agreement pursuant to which ACME agreed to acquire all of the issued and outstanding shares of RDT in a reverse takeover transaction (the “Transaction”). ACME was a listed capital pool company as defined in Policy 2.4 of the TSXV and most recently traded on the NEX Tier of the TSXV under the symbol ACY.H. ACME was de-listed from the TSXV/NEX on March 28, 2018. Since incorporation, ACME has been actively engaged in the identification of target companies for the purposes of completing a qualifying transaction (“QT”). ACME and RDT entered into an Amended and Restated Amalgamation Agreement as of July 11, 2018 (the “Amalgamation Agreement”) pursuant to which ACME will acquire 100% of the issued share capital of RDT in exchange for the issuance of up to 57,641,200 common shares of ACME. The Amalgamation Agreement updates and amends the original Definitive Agreement previously signed by the Company. The Transaction was approved by the shareholders of both corporations at meetings held on August 30, 2018 for ACME and August 27, 2018 for RDT.

Completion of the Amalgamation Agreement is subject to approval of regulatory authorities and compliance with any required governmental and securities regulations. Closing is also conditional on approval for listing of the ACME shares on a stock exchange in Canada – proposed to be the Canadian Securities Exchange. ACME intends to change its name to RAPID DOSE THERAPEUTICS CORP., or another name as appropriate. *There is no guarantee that the Transaction will be completed.*

The Company entered into a research support agreement, effective March 1, 2018, with the McMaster University Chemistry Faculty to provide academic research support for RDT’s technical testing of the materials, processes and the chemistry of oral dissolvable thin films.

The Company signed an agreement with University of Nevada Las Vegas (“UNLV”) related to RDT’s QuickStrip™ products. Under the scope of the research, the Company will provide UNLV with QuickStrip™ products for exclusive specialized testing to determine the comparative benefits between other dosage forms such as oral and injected of the same active pharmaceutical ingredients on the behavior, bioavailability, and brain waves of subjects. Under the agreement, a team of researchers will conduct comparative studies using established protocols to evaluate whether the QuickStrip™ delivery system improves the rapidity and functionality of therapeutics compared to standard routes of administration. The RDT/UNLV project will assess QuickStrip™ delivery on absorption, distribution, metabolism, electroencephalography and behavioral outcomes.

During the six-month period ended August 31, 2018, the Company issued 3,210,000 common shares for gross proceeds of \$1,605,000. Each common share was issued at a price of \$0.50 per share. The Company paid cash finders’ fees of \$115,100 in relation to this private placement. As at August 31, 2018, proceeds of \$10,000 remained outstanding and receivable.

During the three-month period ended August 31, 2018, the Company also issued 7,200,000 common shares at \$0.75 per share for gross proceeds of \$5,400,000.

During the three-month period ended August 31, 2018, the Company issued 100,000 common shares in

# **RAPID DOSE THERAPEUTICS INC.**

## **INTERIM MD&A**

### **FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

exchange for services provided in the amount of \$50,000.

As of February 28, 2018, the Company had 54,331,200 common shares and 840,000 warrants issued and outstanding. As of the end of the period ended May 31, 2018, the Company had 55,691,200 common shares and 840,000 warrants issued and outstanding. As of the date of this MD&A, the Company has 64,841,200 common shares and 840,000 warrants issued and outstanding.

The Company and its subsidiary have recently signed three managed strip services agreements for the California, Canadian and Puerto Rico markets. See “*Events after the Reporting Date and Commitments*” below.

The Company has recently introduced some QuickStrip™ products in the Canadian nutraceuticals market, following which the Company and its subsidiary have initiated sales in the U.S. market. See “*Events after the Reporting Date and Commitments*” below.

### **OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS**

This MD&A is the second interim MD&A prepared by the Company following its first fiscal year from incorporation on May 3, 2017 to February 28, 2018. The Company’s financial results for the second quarter of the 2<sup>nd</sup> year of operations can only be compared to the financial year-end results contained in the Company’s audited annual financial statements and the financial results for the period from incorporation to August 31, 2018. Interim financial statements were not prepared by the Company during its first financial year.

As of August 31, 2018, the Company had a cash balance of \$6,036,670 compared to \$326,267 at the prior year-end of February 28, 2018. The increase in cash was a result of private placement financings producing gross proceeds of \$7,055,500. As of August 31, 2018, the Company had other current assets of \$304,513 compared to \$229,595 at the prior year-end of February 28, 2018. The increase was principally from increases in prepaid expenses and HST receivables in relation to the Company’s efforts to continue to develop its business, as well as employee advances. Similarly, accrued liabilities at the end of the second quarter ended August 31, 2018 were \$54,732, compared to \$139,830 at the prior year-end of February 28, 2018, as a result of the payment of accounts payable from the increase in available cash resulting from the Company’s private placement financings.

For the period March 1, 2018 to August 31, 2018, the Company reported a net loss of \$802,846 compared to \$167,401 for the period from incorporation to August 31, 2017. The operating expenses comprised of consulting fees of \$356,288 (\$90,000 as at August 31, 2017), office and administration of \$204,378 (\$7,535 as at August 31, 2017), professional fees of \$52,767 (\$22,283 as at August 31, 2017), research and development of \$125,911 (\$28,000 as at August 31, 2017), marketing and business development of \$5,273 (\$18,698 as at August 31, 2017), travel \$33,100 (\$885 as at August 31, 2017), depreciation of \$21,326 (\$Nil as at August 31, 2017) and insurance of \$3,803 (\$Nil as at August 31, 2017). The foregoing costs incurred by the Company primarily relate to starting up operations and increasing development of the Company’s business. Consulting fees were high for the period as a result of management’s effort to obtain financing and to document, secure and move toward completion of its proposed business combination transaction with ACME.

### **SUMMARY OF INTERIM RESULTS**

The following financial data, which has been prepared in accordance with IFRS, is derived from the

# RAPID DOSE THERAPEUTICS INC.

## INTERIM MD&A

### FOR THE SIX MONTHS ENDED AUGUST 31, 2018

Company's Financial Statements for the period ended August 31, 2018:

Financial Results	Period ended August 31, 2018	Period ended August 31, 2017
Total revenues	Nil	Nil
Net loss and comprehensive net loss for the period	(802,846)	(167,401)
Basic and diluted net loss per share	(0.01)	(0.01)
Total assets	6,780,486	\$728,530 <sup>1</sup>
Current liabilities	54,732	\$139,830 <sup>1</sup>

<sup>1</sup> As at year-end February 28, 2018

### **LIQUIDITY**

During the period ended August 31, 2018 and from the end of that period to the date of this MD&A, the Company has not generated any significant revenues from operations. The Company has been financed to date through equity financing and it expects that it will continue to do so and will be able to continue to do so in the future until it generates cash flows from operations. The ability of the Company to survive is dependent on its ability to secure additional equity or other financings to establish its business until it is able to generate revenues which are to sustain its operations and continue its growth. Commencing in late October, 2018, small amounts of sales started to be generated.

As of August 31, 2018, the Company had cash of \$6,036,670 and other current assets of \$304,513 to settle current accounts payable and accrued liabilities of \$54,732. The Company's cash position is sufficient to meet short-term obligations. The Company may require additional funds to complete its currently anticipated business development plans. The Company currently relies on private placements for funding.

There have been no private placements subsequent to August 31, 2018 as the Company had a significant amount of cash from earlier private placements.

As of the date hereof, the Company has minimum lease payments under the current operating lease in respect of the office space used of \$50,000 for the lease period ending March 31, 2019. Except for the current operating lease, the Company did not have any other commitments for capital expenditures. However, the Company anticipates making capital expenditures from time to time to acquire equipment to fulfill its obligations under managed strip services agreements which the Company has recently entered into and which the Company anticipates entering into as the Company's business develops. The Company believes that it currently has sufficient cash to meet its anticipated capital expenditures in the near term.

### **CAPITAL RESOURCES**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at August 31, 2018, the Company's shareholders' equity was a deficit of \$2,304,708. As at that date, the Company had a cash balance of \$6,036,670. Subsequent to August 31, 2018, there have been no private placements. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to develop its business, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company's sole source of capital has been from the issuance of common shares.

# **RAPID DOSE THERAPEUTICS INC.**

## **INTERIM MD&A**

### **FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements as at August 31, 2018 or as of the date of this MD&A.

#### **TRANSACTIONS WITH RELATED PARTIES**

Related parties include members of the Board of Directors, key management personnel and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company.

Key management for the Company consists of the CEO, CFO, VP of Business Development and the Chair of the Board. During the period ended August 31, 2018 the Company paid consulting fees of \$159,900 to key management of the Company (period ended August 31, 2017 - \$nil). These consulting fees were paid out in cash.

At the period ended August 31, 2018, a balance of \$17,919 was owed to the Company by a key management member for employee advances.

#### **FINANCIAL INSTRUMENTS**

Financial instruments include cash and accounts payable and accrued liabilities. The estimated fair value of these financial instruments approximates their carrying values because of the short term to maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. In regards to liquidity risk, the Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

With respect to capital risk management, the Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to develop its business in order to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of cash portion to risk and manages the capital structure and makes adjustments to it in light of current economic conditions and the risk characteristics of the underlying assets, as well as with consideration of externally imposed capital requirements. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt.

#### **CRITICAL ACCOUNTING ESTIMATES**

The financial statements have been prepared in accordance with IFRS and form the basis for the following discussion and analysis of critical accounting policies and estimates. The Company makes estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities during the course of preparing these financial statements.

Management has made a number of significant estimates and valuation assumptions, including valuation of warrants, going concern assumption, deferred income tax recognition and disclosures of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions are based on present



# **RAPID DOSE THERAPEUTICS INC.**

## **INTERIM MD&A**

### **FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

conditions and management's planned course of action as well as assumptions about future business and economic conditions. Should the underlying estimates change, the recorded amounts could change by a material amount.

For a detailed summary of the Company's significant accounting policies, see Note 3 of the Notes to the Audited Annual Financial Statements from date of incorporation of May 3, 2017 to February 28, 2018.

### **ACCOUNTING AND REPORTING CHANGES**

#### **Effective for annual periods beginning on or after January 1, 2018**

IFRS 9, Financial Instruments – Classification and Measurement, is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

In May 2014, the IASB issued IFRS 15, which supersedes IAS 11, *Construction Contracts*; IAS 16 *Revenue*; IFRIC 13, *Customer Loyalty Programmes*; IFRIC 15 *Agreements for Construction of Real Estate*; IFRIC 18, *Transfers of Assets from Customers*; and SIC 31, *Revenue-Barter Transactions Involving Advertising Services*. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

In January 2016, the IASB issued IFRS 16, which requires Lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting period beginning on or after January 1, 2019, with earlier application permitted provided that new revenue standard, IFRS 15 has been applied or is at the same date as IFRS 16.

The Company has not early adopted these revised standards and none of these standards are expected to have a material effect on the financial statements.

### **RISKS AND UNCERTAINTIES**

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objective. The main objectives of the Company's risk management processes are to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below:

#### a) Credit Risk Management

Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed by or owing to the Company. Management's assessment of the Company's credit risk is low as it is

# RAPID DOSE THERAPEUTICS INC.

## INTERIM MD&A

### FOR THE SIX MONTHS ENDED AUGUST 31, 2018

primarily attributable to funds held in Canadian banks, sales tax recoverable from the federal government of Canada, where taxes are included in amounts receivable and amounts receivable from a shareholder of the Company.

#### b) Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interest. The Company intends on fulfilling its obligations.

As of August 31, 2018, the Company had cash of \$6,036,670 and other current assets of \$304,513 to settle current accounts payable and accrued liabilities of \$54,732. Subsequent to August 31, 2018, there were no private placements and/or share issuances in the capital of the Company.

#### c) Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as they affect the ability of the Company to develop or market its products and the future profitability of the Company.

#### d) Price Risk

The Company is exposed to price risk with respect to market prices of the products and manufacturing inputs.

#### e) Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to deposit excess cash in interest-bearing accounts at its banking institutions.

Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interest rates that are reasonably possible over the next twelve-month period will not have a significant impact on the Company. The fair value of cash, accounts receivable, employee advances, accounts payable and accrued liabilities approximate carrying value due to the relatively short-term maturities of these instruments.

#### f) Regulatory Risk and Changes in Laws

The QuickStrip™ as a drug delivery system (referred to in the regulations as the "dosage form") is not subject to pre-market approval by Health Canada under *The Access to Cannabis for Medical Purposes Regulations* ("ACMPR") at this time. The "pharmaceutical form" or "dosage form" are the terms used commonly in the pharma industry. Both refer to the form of presentation in which the product is supplied, for example, tablet, capsule, powder, etc. In this case, the QuickStrip™ would be used rather than a capsule or tablet. The dosage form is part of the pre-market licensing

# **RAPID DOSE THERAPEUTICS INC.**

## **INTERIM MD&A**

### **FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

review process and it is typically the responsibility of the party seeking to introduce the product to the marketplace to obtain the approval. All cannabis-related approvals are the responsibility of the licensed producer. The manufacturer of a cannabis product could, for example, enter one of the formal drug approval processes, such as prescription or over the counter drugs (DINs/NPNs). RDT is not a manufacturer of cannabis products; however, currently RDT has 3 agreements with licensed producers in Canada. RDT's agreements with its licensed producers in Canada, require such licensed producers to obtain and maintain all approvals required by law.

While at present there is no formal review process for the delivery system of cannabis as a medicine, the Cannabis Regulations do make reference to "discrete units" of a cannabis product as a delivery method. Such discrete units must meet requirements of a dissolution or a disintegration test that is applicable to its formulation as set out under the *Food and Drugs Act*.

It is the responsibility of licensed producers to sell cannabis products in accordance with the *Cannabis Act* and Regulations.

RDT's cannabis producer customers are subject to a variety of laws, regulations and guidelines relating to the manufacture of cannabis and cannabis-related products as well as laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

Changes to such laws, regulations and guidelines due to matters beyond the control of RDT may cause adverse effects to RDT's Canadian operations with its Canadian licensed cannabis producer customers.

Any forward-looking information in this MD&A 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.

### **OTHER MATTERS**

#### **Legal proceedings**

There are no material pending legal proceedings or regulatory actions to which the Company is, or, to the knowledge of management of the Company, is likely to be, a party with the exception of a Statement of Claim issued in the Ontario Superior Court of Justice by CTT and served on the Company on or about September 27, 2018, alleging that the Company used confidential information provided by CTT relating to oral thin film technology, breached obligations of confidence and interfered with CTT's economic interests (the "CTT Claim"). The CTT Claim seeks an interim and a permanent injunction restraining the Company from using or disclosing confidential information and from selling its QuickStrip™ or any other oral thin film wafer of medicine. CTT is also seeking damages in excess of \$50,000, an accounting and other relief. The Company believes that the claim is without merit and is not material. The Company has filed a Statement of Defence and intends to defend itself vigorously against CTT.

#### **Contingent liabilities**

At the date of MD&A, management was unaware of any outstanding contingent liability relating to the Company's activities.

# **RAPID DOSE THERAPEUTICS INC.**

## **INTERIM MD&A**

**FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

### **Disclosure Controls and Procedures**

The Chief Executive Officer (the “**CEO**”) and Chief Financial Officer (“**CFO**”) are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external purposes in accordance with IFRS. The design of the Company’s internal control over financial reporting was assessed as of the date of this MD&A.

### **Business Risks**

The Company has a limited history of operations and has not yet achieved any significant amounts of revenue-producing operations. External financing, primarily through the issuance of common shares, will be required to fund the Company’s activities. There can be no assurance that the Company will be able to obtain adequate financing. Investment in securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company’s Securities:

Dilution: There are a number of outstanding warrants and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company’s shareholders.

Revenues and Dividends: The Company has no revenues and does not expect to have any revenues in the foreseeable future. In the event that the Company generates any meaningful revenues in the future, then the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

### **OUTLOOK**

The Company’s primary focus for the foreseeable future will be completion of the Transaction with ACME. The Transaction will create value to the existing shareholders and the necessary platform to bring the Company’s business model to the next level. The Company’s future profitability, operating cash flows and financial position will be closely related to the success of the Transaction.

### **APPROVAL**

The Board of Directors of the Company has approved the disclosures contained in this MD&A.

### **EVENTS AFTER THE REPORTING DATE AND COMMITMENTS**

On November 30, 2017, the Company entered into an agreement with Gambier for certain corporate finance services. On successful completion of the Transaction, Gambier is expected to receive approximately 4,907,937 shares of ACME. The shares to be issued to Gambier will be issued subject to a regulatory “hold period” restricting Gambier from selling or otherwise trading such securities until four months plus one day after the date of issuance.

RDT’s United States subsidiary, RDT Therapeutics Inc. (“**RDT-US**”), signed a five-year, renewable Managed Strip Services Agreement with an effective date of October 11, 2018 with Chemosis International

## **RAPID DOSE THERAPEUTICS INC.**

### **INTERIM MD&A**

#### **FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

Inc. (“**Chemesis**”), a licensed producer and manufacturer of medicinal and recreational cannabis in California. Pursuant to the agreement, Chemesis was granted a license to use RDT’s “QuickStrip™” trademarks and other intellectual property in connection with cannabis products produced by Chemesis at its manufacturing facility in Cathedral City, California and sold within the state of California. Under the terms of the Managed Strip Services Agreement, RDT-US will provide Chemesis with production equipment to be operated by Chemesis in California and licensing rights to RDT’s technologies and RDT-US will also provide periodic deliveries of certain proprietary formulations and other supplies to enable Chemesis to produce, distribute and sell its cannabis products in California using RDT’s QuickStrip™ product delivery method. Under the terms of the agreement, Chemesis is required to hold and maintain all necessary governmental authorizations, permits, licenses, orders, qualifications and other requirements of federal, state and municipal laws and other regulatory requirements and to operate in compliance with them. Chemesis will pay RDT-US certain service fees – both lump-sum initiating fees and periodic fees based on sales of Chemesis’s products produced by Chemesis using RDT’s QuickStrip™ product delivery technology.

RDT-US also signed a Managed Strip Services Agreement with an effective date of October 18, 2018 with Chemesis for products to be sold in the territory of Puerto Rico on terms similar to the terms of its Managed Strip Services Agreement with Chemesis for the state of California.

RDT signed a five-year, renewable Managed Strip Services Agreement with an effective date of November 1, 2018 with Aphria Inc. (“**Aphria**”), a leading global cannabis company headquartered in Leamington, Ontario. Pursuant to the agreement, Aphria was granted preferred rights to produce, distribute and sell QuickStrip™ products for the cannabis markets in Canada using QuickStrip™ trademarks and technology. Under the agreement, Aphria will have the ability to extend the agreement to enable it to bring products developed using RDT’s QuickStrip™ technology to international markets where Aphria operates currently and in the future. Under the terms of the Managed Strip Services Agreement, RDT will provide Aphria with production equipment to be operated by Aphria in Canada and licensing rights to RDT’s technologies and RDT will also provide periodic deliveries of certain proprietary formulations and other supplies to enable Aphria to produce, distribute and sell its cannabis products using RDT’s QuickStrip™ product delivery method. Under the terms of the agreement, Aphria is required to hold and maintain all necessary governmental authorizations, permits, licenses, orders, qualifications and other requirements of federal, provincial, state and municipal laws and other regulatory requirements and to operate in compliance with them. Aphria will pay RDT certain service fees – both lump-sum initiating fees and periodic fees based on sales of Aphria’s products produced by Aphria using RDT’s QuickStrip™ product delivery technology.

The Company has initiated its marketing strategy for nutraceuticals by outsourcing the production of certain selected natural healthcare products (including QuickStrip™ B12, QuickStrip™ Energy and QuickStrip™ Melatonin) under the QuickStrip™ brand using QuickStrip™ thin-film strips as a product delivery method. These selected natural healthcare products have received all necessary approvals from Health Canada (including packaging, labelling and NPNs). Production has recently commenced in a certified facility. Although a few initial sales have been completed in Canada and in the United States, there is no assurance that the market for RDT’s QuickStrip™ natural healthcare products will grow into any substantial volumes or become profitable.

#### **DIRECTORS AND OFFICERS**

Mark Upsdell, *President, Chief Executive Officer and Director*

Lino Fera, *Chief Financial Officer*

Jason Lewis, *Senior Vice-President of Business Development and Director*

**RAPID DOSE THERAPEUTICS INC.**

**INTERIM MD&A**

**FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

**DISCLOSURE OF OUTSTANDING SECURITIES AS AT DECEMBER 5, 2018**

Outstanding common shares:	64,841,200
Share purchase and finders warrants:	840,000
Stock options:	nil
Fully diluted:	65,681,200

**APPENDIX “F”**

**Audit Committee Charter of ACME Resources Corp.**

**ACME RESOURCES CORP.**  
**(the “Corporation”)**

**AUDIT COMMITTEE CHARTER**

**NAME**

There shall be a committee of the Board of Directors (the “**Board**”) of ACME Resources Corp. (the “**Company**”) known as the Audit Committee.

**PURPOSE OF AUDIT COMMITTEE**

The Audit Committee has been established to assist the Board in fulfilling its oversight responsibilities with respect to the following principal areas:

- (a) the Company’s external audit function; including the qualifications, independence, appointment and oversight of the work of the external auditors;
- (b) the Company’s accounting and financial reporting requirements;
- (c) the Company’s reporting of financial information to the public;
- (d) the Company’s compliance with law and regulatory requirements;
- (e) the Company’s risks and risk management policies;
- (f) the Company’s system of internal controls and management information systems; and
- (g) such other functions as are delegated to it by the Board.

Specifically, with respect to the Company’s external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to: the quality and integrity of the Company's financial statements; the independent auditors' qualifications; and the performance of the Company's independent auditors.

**MEMBERSHIP**

The Audit Committee shall consist of as many members as the Board shall determine but, in any event not fewer than three directors appointed by the Board. Each member of the Audit Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director of the Company. The Board may fill a vacancy that occurs in the Audit Committee at any time.

**CHAIR AND SECRETARY**

The Chair of the Audit Committee shall be designated by the Board. If the Chair is not present at a meeting of the Audit Committee, the members of the Audit Committee may designate an interim Chair for the meeting by majority vote of the members present. The Secretary of the Audit Committee shall be such member of the Audit Committee as may be designate by majority vote of the Audit Committee from time to time, provided that if the Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Audit Committee members who are present. A member of the Audit Committee may be designated as the liaison member to report on the deliberations of the Audit Committees of affiliated companies (if applicable).



## **MEETINGS**

The Chair of the Audit Committee, in consultation with the Audit Committee members, shall determine the schedule and frequency of the Audit Committee meetings provided that the Audit Committee will meet at least four times in each fiscal year and at least once in every fiscal quarter. The Audit Committee shall have the authority to convene additional meetings as circumstances require.

Notice of every meeting shall be given to the external and internal auditors of the Company, and meetings shall be convened whenever requested by the external auditors or any member of the Audit Committee in accordance with applicable law. The Audit Committee shall meet separately and periodically with management, legal counsel and the external auditors. The Audit Committee shall meet separately with the external auditors at every meeting of the Audit Committee at which external auditors are present.

## **MEETING AGENDAS**

Agendas for meetings of the Audit Committee shall be developed by the Chair of the Audit Committee in consultation with the management and the corporate secretary, and shall be circulated to Audit Committee members as far in advance of each Audit Committee meeting as is reasonable.

## **RESOURCES AND AUTHORITY**

The Audit Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management.

The Audit Committee shall have the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities, and has direct access to and the authority to other officers and employees of the Company.

The members of the Audit Committee shall have the right for the purpose of performing their duties to inspect all the books and records of the Company and its subsidiaries and to discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Company with the officers and external and internal auditors of the Company and its subsidiaries. Any member of the Audit Committee may require the external or internal auditors to attend any or every meeting of the Audit Committee.

## **RESPONSIBILITIES**

The Company's management is responsible for preparing the Company's financial statements and the external auditors are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of those activities by the Company's management and external auditors, and overseeing the activities of the internal auditors.

The specific responsibilities of the Audit Committee shall include those listed below. The enumerated responsibilities are not meant to restrict the Audit Committee from examining any matters related to its purpose.

## **1. Financial Reporting Process and Financial Statements**

The Audit Committee shall:

- (a) in consultation with the external auditors and the internal auditors, review the integrity of the Company's financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;
- (b) review all material transactions and material contracts entered into between (i) the Company or any subsidiary of the Company, and (ii) any subsidiary, director, officer, insider or related party of the Company, other than transactions in the ordinary course of business;
- (c) review and discuss with management and the external auditors: (i) the preparation of Company's annual audited consolidated financial statements and its interim unaudited consolidated financial statements; (ii) whether the financial statements present fairly (in accordance with Canadian generally accepted accounting principles) in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented; (iii) any matters required to be discussed with the external auditors according to Canadian generally accepted auditing standards; (iv) an annual report by the external auditors describing: (A) all critical accounting policies and practices used information within generally accepted accounting principles that have been discussed with management of the Company, including the ramifications of the use such alternative treatments and disclosures and the treatment preferred by the external auditors; and (C) other material written communications between the external auditors and management;
- (d) following completion of the annual audit, review with each of: (i) management; (ii) the external auditors; and (iii) the internal auditors, any significant issues, concerns or difficulties encountered during the course of the audit;
- (e) resolve disagreements between management and the external auditors regarding financial reporting;
- (f) review the financial statements, management discussion and analysis and annual and interim press releases prior to public disclosure of this information; and
- (g) review and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Company extracted or derived from the Company's financial statements, other than the disclosure referred to in (f), and periodically assess the adequacy of those procedures.

## **2. External Auditors**

The Audit Committee shall:

- (a) require the external auditors to report directly to the Audit Committee;
- (b) recommend to the Board the external auditors to be nominated for approval by the shareholders and the compensation of the external auditor;

- (c) be directly responsible for the selection, nomination, compensation, retention, termination and oversight of the work of the Company's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (d) approve all audit engagements and must pre-approve the provision by the external auditors of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Audit Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit related and non-audit services for which the Audit Committee will retain the external auditors. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Audit Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting following such pre-approval;
- (e) review and approve the Company's policies for the hiring of partners and employees and former partners and employees of the external auditors;
- (f) consider, assess and report to the Board with regard to the independence and performance of the external auditors; and
- (g) request and review the audit plan of the external auditors as well as a report by the external auditors to be submitted at least annually regarding: (i) the external auditing firm's internal quality-control procedures; (ii) any material issues raised by the external auditor's own most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

### **3. Accounting Systems and Internal Controls**

The Audit Committee shall:

- (a) oversee management's design and implementation of and reporting on internal controls. The Audit Committee shall also receive and review reports from management, the internal auditors and the external auditors on an annual basis with regard to the reliability and effective operation of the Company's accounting system and internal controls; and
- (b) review annually the activities, organization and qualifications of the internal auditors and discuss with the external auditors the responsibilities, budget and staffing of the internal audit function.

### **4. Legal and Regulatory Requirements**

The Audit Committee shall:

- (a) receive and review timely analysis by management of significant issues relating to public disclosure and reporting;

- (b) review, prior to finalization, periodic public disclosure documents containing financial information, including the Management's Discussion and Analysis and Annual Information Form, if required;
- (c) prepare the report of the Audit Committee required to be included in the Company's periodic filings;
- (d) review with the Company's counsel legal compliance matters, significant litigation and other legal matters that could have a significant impact on the Company's financial statements; and
- (e) assist the Board in the oversight of compliance with legal and regulatory requirements and review with legal counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with legal and regulatory responsibilities.

## **5. Additional Responsibilities**

The Audit Committee shall:

- (a) discuss policies with the external auditor, internal auditor and management with respect to risk assessment and risk management;
- (b) establish procedures and policies for the following
  - (i) the receipt, retention, treatment and resolution of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by directors or employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) prepare and review with the Board an annual performance evaluation of the Audit Committee;
- (d) report regularly to the Board, including with regard to matters such as the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, the performance of the internal audit function, and the performance and independence of the external auditors; and
- (e) review and reassess the adequacy of the Audit Committee's Charter on an annual basis.

## **6. Limitation on the Oversight Role of the Audit Committee**

Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Audit Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the information provided to the Company by such persons or organizations.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles in Canada and applicable rules and regulations. These are the responsibility of management and the external auditors.

**APPENDIX “G”**

**Pro Forma Financial Statements for the Resulting Issuer as at June 30, 2018**

**ACME RESOURCES CORP.**

**Unaudited Pro Forma Combined Statements  
As at June 30, 2018**

(Expressed in CDN dollars)

# ACME RESOURCES CORP.

## Unaudited Pro Forma Combined Statement of Financial Position

As at June 30, 2018

(Expressed in CDN dollars)

	Rapid Dose Therapeutics Inc.	ACME Resources Corp.	Note	Pro Forma Adjustments	Pro Forma Combined
	August 31, 2018	June 30, 2018			
<b>Assets</b>					
<b>Current Assets</b>					
Cash	\$ 6,036,670	\$ 401,296		\$ -	\$ 6,437,966
Accounts receivable	91,388	-		-	91,388
Employee Advances	17,919	-		-	17,919
Prepaid expenses and deposits	195,206	-		-	195,206
Deferred transaction costs	-	96,032	2d	(96,032)	-
	<u>6,341,183</u>	<u>497,328</u>		<u>-</u>	<u>6,742,479</u>
Property and equipment	439,303	-		-	439,303
	<u>\$ 6,780,486</u>	<u>\$ 497,328</u>		<u>\$ (96,032)</u>	<u>\$ 7,181,782</u>
<b>Liabilities &amp; Shareholders' Equity</b>					
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued liabilities	\$ 54,732	\$ 111,443		\$ -	\$ 166,175
	<u>\$ 54,732</u>	<u>\$ 111,443</u>		<u>\$ -</u>	<u>\$ 166,175</u>
<b>Shareholders' Equity</b>					
Share capital	\$ 8,956,180	\$ 1,030,088		\$ -	\$ 12,954,037
			2a	(1,030,088)	
			2a	3,954,142	
			2b	3,680,953	
			2b	(3,680,953)	
			2c	74,282	
			2c	(30,567)	
Warrants reserve	74,282	-		-	30,567
			2c	(74,282)	
			2c	30,567	
Contributed Surplus	-	150,000	2a	(150,000)	-
Deficit, Beginning	(1,501,862)	(458,231)		-	(1,960,093)
Net Loss for the period	(802,846)	(335,972)		-	(4,008,904)
			2a	(3,568,257)	
			2a	794,203	
			2d	(96,032)	
Deficit, Ending	<u>(2,304,708)</u>	<u>(794,203)</u>		<u>(2,870,086)</u>	<u>(5,968,997)</u>
	<u>6,725,754</u>	<u>385,885</u>		<u>(96,032)</u>	<u>7,015,607</u>
	<u>\$ 6,780,486</u>	<u>\$ 497,328</u>		<u>\$ (96,032)</u>	<u>\$ 7,181,782</u>



# ACME RESOURCES CORP.

## Unaudited Pro Forma Combined Statement of Comprehensive Loss

For the nine-month period ending June 30, 2018

(Expressed in CDN dollars)

	<b>Rapid Dose Therapeutics Inc.</b>	<b>ACME Resources Corp.</b>	<i>Note</i>	<b>Pro Forma Adjustments</b>	<b>Pro Forma Combined</b>
	Six-Months ended August 31,2018	Nine-Months ended June 30,2018		June 30,2018	June 30,2018
<b>Operating expenses</b>					
General and administrative	\$ 160,040	\$ 51,837		\$ -	\$ 211,877
Professional fees	52,767	30,222		-	82,989
Consulting fees	356,288	207,149		-	563,437
Regulatory & filing fees	-	33,388		-	33,388
Research & development	125,911	-		-	125,911
Marketing costs	49,611	-		-	49,611
Corporate development	-	12,991		-	12,991
Insurance	3,803	-		-	3,803
Travel	33,100	-		-	33,100
Depreciation	21,326	-		-	21,326
Interest & bank charges	-	385		-	385
	<u>802,846</u>	<u>335,972</u>		<u>-</u>	<u>1,138,818</u>
<b>Other expenses</b>					
Listing expense	-	-		-	3,664,289
			2a	3,568,257	
			2d	96,032	
<b>Net loss and comprehensive loss</b>	<u>\$ (802,846)</u>	<u>\$ (335,972)</u>		<u>\$ (3,664,289)</u>	<u>\$ (4,803,107)</u>

# **ACME RESOURCES CORP.**

## **Unaudited Notes to the Pro Forma Combined Statement**

**June 30, 2018**

(Expressed in CDN dollars)

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### **1. BASIS OF PRESENTATION**

On February 6, 2018, Rapid Dose Therapeutics Inc. (the “Company”) entered into a letter of intent with ACME Resources Corp. (“ACME”) which defines the essential terms under which the parties intend to enter into a definitive binding agreement for the acquisition, by ACME, of 100% of the issued share capital of the Company in a proposed Reverse Take-Over transaction (the “Transaction”), payable by the issuance of up to 64,841,200 common shares of ACME. Upon completion of the Transaction, ACME intends to change its name to Rapid Dose Therapeutics Corp.

On April 6, 2018, the Company entered into a definitive agreement (the “Definitive Agreement”) with ACME pursuant to the proposed Transaction laid out in the letter of intent which was signed on February 6, 2018. Closing of the Definitive Agreement will be subject to approval by regulatory authorities and compliance with any required governmental and securities regulations and there is no guarantee that the Definitive agreement will close.

On July 11, 2018, the Company entered into an amended and restated definitive agreement (the “Definitive Agreement”) with ACME pursuant to the proposed Transaction laid out in the letter of intent noted above. The Company has agreed to pay a finder’s fee on closing to an arm’s length party equal to 7% of the total number of shares issued and outstanding at closing.

For accounting purposes, RDT is considered the accounting acquirer and ACME is considered the acquired company. Since ACME’s operations do not constitute a business, the acquisition of ACME is not a business combination pursuant to IFRS 3 and the transaction is accounted for as a reverse takeover. The consideration for the reverse takeover will be accounted for under IFRS 2 Share-based Payments. Accordingly, the acquisition of ACME is accounted at the fair value of the equity instruments of the Company granted to the shareholders of RDT. The difference between the net assets acquired and the fair value of the consideration granted will be treated as a listing expense.

In preparing this unaudited pro forma statement of financial position, no adjustments have been made to reflect additional costs or savings that could result from the transaction. This unaudited pro forma Combined statement of financial position is not necessarily indicative of the Company’s financial position on closing of the proposed acquisition. The unaudited Combined pro forma statement of financial position has been prepared by management of the Company and include information from:

- a) ACME’s unaudited condensed interim statement of financial position as at June 30, 2018 and statement of loss and comprehensive loss for the nine-month period ending June 30, 2018, expressed in Canadian dollars.
- b) The Company’s unaudited interim statement of financial position as at August 31, 2018 and statement of loss and comprehensive loss for the six-month period ending August 31, 2018, expressed in Canadian dollars.

**ACME RESOURCES CORP.**  
**Unaudited Notes to the Pro Forma Combined Statement**  
**June 30, 2018**  
(Expressed in CDN dollars)

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**2. PRO FORMA ADJUSTMENTS**

The unaudited Pro Forma Combined Statement of Financial Position includes the following pro forma adjustments to reflect the transactions:

a) Proposed Change of Business:

ACME common shares from treasury to holders of RDT common shares as follows:

Common Shares issued:

5,272,190 ACME common shares

Issued for:

12,710,000 RDT common shares

52,131,200 RDT restricted shares

This transaction involving ACME, a non-operating public enterprise with nominal net non-monetary assets, is a capital transaction in substance for RDT. As a result, this transaction is viewed as the issuance of equity by RDT to the extent of the net cash available in ACME. Accordingly, the unaudited combined pro forma statement of financial position represents a continuation of RDT. As RDT's former shareholders will control the Resulting Issuer, this transaction has been accounted for as a reorganization and recapitalization of RDT. For accounting purposes, RDT will be the ongoing business. ACME's share capital of \$1,030,088, contributed surplus of \$150,000 and accumulated deficit of \$794,203 will be eliminated, and the transaction will be accounted for as a reverse take-over in the unaudited pro forma combined balance sheet.

The fair value of the consideration is as follows:

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Issuance of 5,272,190 RDT Shares	\$ 3,954,142
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The consideration has been allocated as follows:

Cash	401,296
Accounts payable and accrued liabilities	(111,443)
Listing expenses	3,664,289

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Shares issued to RDT shareholders	\$ 3,954,142
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The value of the deemed issuance of common shares was based on the concurrent private placement price of \$0.75 per common share.

Following the proposed change of business, on a fully diluted basis, the shareholders of ACME will hold approximately 7.5% of the Resulting Issuer Shares, the current shareholders of RDT will hold approximately 92.5% of the Resulting Issuer Shares (comprising of 23% common shares, 69.5% restricted shares).

- b) Upon the completion of the change in business, in connection with acting as sponsor, RDT has agreed to pay a finder's fee equal to 7% of the total number of shares of RDT, issued and outstanding at closing. The Company expects to issue 4,907,937 common shares, with a fair value of \$3,680,953. Each share will be issued at a price of \$0.75 per common share.

**ACME RESOURCES CORP.**  
**Unaudited Notes to the Pro Forma Combined Statement**  
**June 30, 2018**  
(Expressed in CDN dollars)

**2. PRO FORMA ADJUSTMENTS (continued)**

- c) As of June 30, 2018, there are 840,000 common share purchase warrants with a fair value of \$74,282. As a result of the transaction, these warrants have been replaced by an equal number of common share purchase warrants which are exercisable into common shares of the Resulting Issuer at a price of \$0.75 per common share. A fair value of \$30,567 was assigned to these warrants using the Black-Scholes valuation model with the following assumptions: share price \$0.75, expected dividend yield 0%, expected volatility 75%, risk free rate of return 1.31% and an expected life of 0.1 years.
- d) Deferred transaction costs of \$96,032 held by ACME at June 30, 2018 were recorded as an expense as a result of the closing of the transaction.

**3. SHARE CAPITAL**

A continuity of ACME issued common share capital and related recorded values after giving effect to the pro forma transactions described in Note 2 above is set out below:

	Number of Shares	Amount (\$)
<b><u>COMMON SHARES</u></b>		
RDT common shares outstanding at August 31, 2018	64,841,200	8,956,180
Reverse takeover adjustment	(64,841,200)	-
ACME shares outstanding at June 30, 2018	5,272,190	1,030,088
Reserve takeover adjustment	(5,272,190)	(1,030,088)
Deemed issuance of Resulting Issuer's shares To the former shareholders of ACME ( <i>Note 2a</i> )	5,272,190	3,954,142
New common shares issued by ACME in exchange for RDT common shares ( <i>Note 2a</i> )	12,710,000	-
New restricted shares issued by ACME in exchange for RDT common shares ( <i>Note 2a</i> )	52,131,200	-
Shares Issued as Finder's fees ( <i>Note 2b</i> )	4,907,937	3,680,953
Finder's fees ( <i>Note 2b</i> )	-	(3,680,953)
Fair value of new warrants issued in exchange for RDT warrants ( <i>Note 2c</i> )	-	30,567
Reverse takeover adjustment ( <i>Note 2c</i> )	-	(74,282)
<b>Total common shares</b>	<b>75,021,327</b>	<b>12,954,037</b>

**4. INCOME TAXES**

The pro forma combined statements effective income tax rate applicable to the combined operations will be 26.5%.

**5. FOREIGN CURRENCY**

The pro forma combined financial statements are presented in Canadian Dollars.