



Rapid Dose Therapeutics Inc.

**Condensed Consolidated Interim Financial Statements
For the Nine Months Ended November 30, 2018 and 2017**

(All monetary amounts are in Canadian dollars, unless specified otherwise)



Notice of no auditor review of interim financial statements

The following interim financial statements of the Company, as at November 30, 2018 and for the periods ended November 30, 2018 and 2017, have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established for a review of interim financial statements by the Company's auditor.

Rapid Dose Therapeutics Inc.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

(In Canadian dollars)

	As at November 30, 2018 \$	As at February 28, 2018 (Audited) \$
Assets		
Current assets		
Cash	4,365,963	326,267
Accounts receivable (Note 4)	242,745	82,486
Employee advances (Note 12)	12,919	3,707
Inventory	82,255	-
Prepaid expenses	195,206	143,402
	4,899,088	555,862
Long-term assets		
Property and equipment- Net (Note 5)	1,317,496	172,668
	6,216,584	728,530
Total assets		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6 and 12)	199,850	139,830
Deferred revenue	296,898	-
	496,748	-
Shareholders' equity		
Share capital		
Common shares (Note 7)	8,956,180	2,016,280
Warrants reserve (Note 8)	74,282	74,282
Deficit	(3,310,626)	(1,501,862)
Total shareholders' equity	5,719,836	588,700
	6,216,584	728,530
Total liabilities & shareholders' equity		

Nature of operations and going concern (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 Statement of Loss and Comprehensive Loss

(Unaudited)

(In Canadian dollars)

	Three months ended November 30, 2018	Three months ended November 30, 2017	Nine Months ended November 30, 2018	From incorporation on May 3, 2017 to November 30, 2017
	\$	\$	\$	\$
Sales	2,206	-	2,206	-
Cost of sales	59	-	59	-
Gross profit	2,147	-	2,147	-
Expenses				
Wages & benefits	562,963	-	562,963	-
Consulting fees	16,456	354,716	372,744	444,716
Research and development	70,633	9,342	196,544	37,342
Marketing and business development	59,457	-	109,068	18,698
Office and administration	(614)	27,464	159,426	34,999
Professional fees	129,683	15,000	182,450	37,283
Depreciation	69,394	-	90,720	-
Rent and TMI	48,884	-	48,884	-
Travel	11,346	4,521	44,446	5,406
Insurance	33,737	-	37,540	-
Patents and trademarks	6,126	-	6,126	-
	1,008,065	411,043	1,810,911	578,444
Net loss and comprehensive loss	(1,005,918)	(411,043)	(1,808,764)	(578,444)
Net loss per share				
Basic and diluted	(0.02)	(0.02)	(0.01)	-
Weighted average number of common shares outstanding				
Basic and diluted	64,841,200	51,891,200	54,408,407	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			
	#	\$	\$	\$	\$
Opening Balance, May 3, 2017	-	-	-	-	-
Shares issued for services	46,049,117	853,823	-	-	853,823
Shares issued on private placement	2,599,950	652,418	-	-	452,418
Warrants issued on private placements	-	(74,282)	74,282	-	-
Net loss and comprehensive loss for the period	-	-	-	(167,401)	(167,401)
Balance, November 30, 2017	48,649,067	1,231,959	74,282	(167,401)	1,138,840
Shares issued on private placements	1,550,000	775,000	-	-	775,000
Shares issued as payment for services provided	4,132,133	65,821	-	-	65,821
Share issuance costs	-	(56,500)	-	-	(56,500)
Net loss and comprehensive loss for the period	-	-	-	(1,334,461)	(1,334,461)
Balance, February 28, 2018	54,331,200	2,016,280	74,282	(1,501,862)	588,700
Shares issued on private placements	10,410,000	7,005,000	-	-	7,005,000
Share issued for services provided	100,000	50,000	-	-	50,000
Share issuance costs	-	(115,100)	-	-	(115,100)
Net loss and comprehensive loss for the period	-	-	-	(1,808,764)	(1,808,764)
Balance, November 30, 2018	64,841,200	8,956,180	74,282	(3,310,626)	(5,719,836)

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)

	Nine-months ended November 30, 2018	From incorporation on May 3, 2017 to November 30, 2017
	\$	\$
Operating activities		
Net loss for the period	(1,808,764)	(578,445)
Non-cash adjustments		
Depreciation	90,720	-
Changes in non-cash operating working capital items		
Accounts receivable	(160,259)	(506,093)
Employee advances	(9,212)	(236,220)
Prepaid expenses	(51,804)	(3,402)
Inventory	(82,255)	-
Accounts payable and accrued liabilities	60,020	3,005
Deferred revenue	296,898	-
Total operating activities	(1,664,656)	(1,321,155)
Investing activities		
Purchase of property and equipment	(1,235,548)	(22,102)
Total investing activities	(1,235,548)	(22,102)
Financing activities		
Issuance of common shares	7,055,000	1,444,362
Share issuance costs	(115,100)	-
Total financing activities	6,939,900	1,444,362
Net increase in cash	4,039,696	101,105
Cash, beginning of period	326,267	-
Cash, end of period	4,365,963	101,105

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)

For the Nine-Months Ended November 30, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

1. Nature of operations and going concern uncertainty

Nature of business

CTC 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 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 January 29, 2019.

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, RDT Therapeutics Inc., an inactive 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)

For the Nine-Months Ended November 30, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

2. Basis of preparation (continued)

New standards and interpretations adopted

Financial Instruments

The Company has adopted IFRS 9 with a date of initial application of March 1, 2018. IFRS 9 introduces new requirements for the classification and measurement of financial assets, amends the requirements related to hedge accounting, and introduces a forward-looking expected loss impairments model.

As a result of the adoption of IFRS 9, the Company's accounting policies for financial instruments have been updated as described below. There was no impact on the condensed consolidated interim financial statements as at and for the nine-month period ended November 30, 2018.

The standard contains three classifications categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and the adoption of IFRS 9 did not change the Company's accounting policies for financial liabilities.

The classification changes for each class of the Company's financial assets and financial liabilities upon adoption at March 1, 2018 had no impact on the measurement of financial instruments, which are summarized in the following table:

Classification of financial assets and liabilities			
	Previous classification	Classification under IFRS 9	November 30, 2018
Cash and cash equivalents	Loans and receivables	Amortized cost	\$ 4,365,963
Trade and other receivables	Loans and receivables	Amortized cost	\$ 242,745
Employee advances	Other assets	Amortized cost	\$ 12,919
Prepaid expenses	Other assets	Amortized cost	\$ 195,206
Trade and other payables	Other liabilities	Amortized cost	\$ 199,850

As a result of the adoption of IFRS 9, the Company's accounting policies for financial instruments have been updated and applied from March 1, 2018 and in accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The changes in accounting policies will also be reflected in the Company's consolidated financial statements as at and for the year ending February 28, 2019. The Company has adopted IFRS 9 retrospectively, and the adoption of IFRS 9 did not result in any transition adjustments being recognized as at March 1, 2018.

(i) Financial assets and liabilities

Financial assets are initially measured at fair value. On initial recognition, the Company classifies its financial assets at either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets

Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements (Unaudited)

For the Nine-Months Ended November 30, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

2. Basis of preparation (continued)

New standards and interpretations adopted (continued)

Financial Instruments (continued)

(i) Financial assets and liabilities (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions: a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The adoption of IFRS 9 did not impact the Company's accounting policies for the financial liabilities.

(ii) Impairment of financial assets

For trade and other receivables, the Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected credit loss provision for all trade and other receivables. Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due under the contract and the cash flows that the Company expects to receive. The expected cash flows reflect all available information, including the Company's historical experience, the past due status, the existence of third-party insurance and forward-looking macroeconomic factors.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

The Company has adopted IFRS 15 with a date of initial application of March 1, 2018. 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 eliminates IAS 11, *Construction Contracts*; IAS 18 *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*.

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 November 30, 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)

For the Nine-Months Ended November 30, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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 Aug 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.

Revenue Recognition

The Company determines revenue recognition through the following steps: a) identification of the contract with a customer; b) identification of the performance obligations in the contract; c) determination of the transaction price; d) allocation of the transaction price for the performance obligations in the contract and e) recognition of revenue when the Company satisfies a performance obligation.

Revenue is recognized when control of a product or service performed is transferred to a customer. Revenue is measured based on the consideration specified in a contract with a customer, net of returns and discounts. For customer contracts where the Company expects to be paid within one year, the consideration is not adjusted for the effects of a financing component.

4. Accounts receivable

	As at November 30, 2018	As at February 28, 2018
	\$	\$
Accounts receivable	133,273	-
HST receivable	109,472	50,080
Subscription receivable	-	32,406
	242,745	82,486

Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements
(Unaudited)

For the Nine-Months Ended November 30, 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
	173,656	(988)	172,668

	November 30, 2018		
	Cost	Accumulated amortization	Net Book Value
	\$	\$	\$
Processing equipment	841,085	(42,054)	799,031
Research & development equipment	313,033	(33,420)	279,613
Portable pods	145,852	(7,293)	138,559
Computer hardware	53,476	(2,674)	50,802
Office equipment	33,137	(4,777)	28,360
Leaseholds	22,620	(1,489)	21,131
	1,409,203	(91,707)	1,317,496

Depreciation for the nine-month period ended November 30, 2018 was \$ 90,720 (\$nil for the period from incorporation on May 3, 2017 to November 30, 2017).

6. Accounts payable and accrued liabilities

	As at November 30, 2018	As at February 28, 2018
Trade payables	185,599	79,072
Accrued liabilities	14,251	26,147
Related party – trade payables (Note 12)	-	34,611
	199,850	139,830

Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements (Unaudited)

For the Nine-Months Ended November 30, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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 November 30, 2018

(b) Transactions

- (i) On August 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. Proceeds from this financing remained receivable at year end February 28, 2018 (Note 4).
- (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. Proceeds from this financing remained receivable at year end February 28, 2018 (Note 4).
- (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 \$49,000 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 nine-month period ended November 30, 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.
- (ix) During the nine-month period ended November 30, 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 nine-month period ended November 30, 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)

For the Nine-Months Ended November 30, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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	840,000	0.75
Exercised	-	-
Expired	-	-
Outstanding, November 30, 2017	840,000	0.75
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding, February 28, 2018	840,000	0.75
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding, November 30, 2018	840,000	0.75

At November 30, 2018, 840,000 warrants were outstanding. None of the warrants outstanding were exercisable at November 30, 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 November 30, 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 was \$50,000 for the period expiring March 31, 2019.

On October 31, 2018, the Company signed a Sublease Agreement for 34,721 square feet of warehouse and office space at their current location. Lease payments commenced on January 1, 2019 and expire on March 31, 2024. Total minimum lease payments under the operating lease are \$2,552,514. The office lease used expired on December 31, 2018 and was incorporated in the new sublease which commenced on January 1, 2019.

Rapid Dose Therapeutics Inc.

Notes to the Condensed Consolidated Interim financial statements
(Unaudited)

For the Nine-Months Ended November 30, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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 4), 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 Aug result in dilution to the value of such interest. The Company intends on fulfilling its obligations.

As of November 30, 2018, the Company had a cash balance of \$4,365,963 and other current assets of \$533,125 to settle current liabilities of \$199,850.

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)

For the Nine-Months Ended November 30, 2018 and 2017

(All monetary amounts are in Canadian dollars, unless specified otherwise)

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 \$12,919 (February 28, 2018 - \$3,707) are unsecured and have no fixed terms of repayment.

Included in accounts payable and accrued liabilities are \$14,251 (February 28, 2018 - \$21,200) due to an employee.

Key management consists of the Chief Executive Officer, Chief Financial Officer and Senior Vice President, Business Development. Key management compensation for the nine-month period ended November 30, 2018 was \$449,513 (period from incorporation on May 3, 2017 to November 30, 2017 - \$nil).

13. Subsequent events

On December 7, 2018, the Company completed an amalgamation with ACME Resources Corp. Pursuant to an Amended and Restated Amalgamation Agreement, ACME:

- a) issued 64,841,200 common shares to acquire all of the issued and outstanding common shares of the Company on the basis of an exchange ratio of one common share of ACME for each outstanding common share of the Company; and
- b) issued 840,000 warrants to replace each of the outstanding warrants of the Company on the basis that the holder will be entitled to acquire one common share of the ACME on the same terms and conditions as the outstanding warrants of the Company.
- c) On completion of the amalgamation, ACME also issued a total of 4,907,937 common share to an arm's length party in payment of corporate finance services fees.

Upon completion of the amalgamation and the issuance of the shares to the arm length's party, ACME had 75,021,327 common shares issued and outstanding, of which, 7% were held by ACME shareholders, and approximately 86% were held by the former shareholders of the Company. ACME also has 840,000 warrants issued and outstanding.

Following the closing of the amalgamation, the Company was a wholly-owned subsidiary of ACME and ACME changed its name to Rapid Dose Therapeutics Corp.