

RAPID DOSE THERAPEUTICS CORP.

1121 Walkers Line, Unit 3
Burlington, Ontario L7N 2G4
Telephone: 416-477-1052

PRIVATE & CONFIDENTIAL

January 7, 2021

2544737 Ontario Limited, o/a Consolidated Craft Brands
1 Moore Blvd.
Brantford, Ontario
N3T OE2

Attention: Tom Bryson, Chief Executive Officer

Dear Sir:

Re: Acquisition of 2544737 Ontario Limited, o/a Consolidated Craft Brands by Rapid Dose Therapeutics Corp.

This letter of intent (the "**Letter of Intent**") is intended to set out our mutual understanding of the basic terms and conditions upon which Rapid Dose Therapeutics Corp. ("**RDT**"), a publicly listed company whose shares are listed for trading on the Canadian Securities Exchange (the "**CSE**") under the trading symbol "**DOSE**", will acquire 100% of the issued and outstanding shares of 2544737 Ontario Limited, o/a Consolidated Craft Brands ("**CCB**"), a majority First Nations owned private company incorporated under the laws of the province of Ontario carrying on business in the development of packaged goods for cannabis edibles and cannabis infused health and wellness products (the "**Transaction**").

The acceptance of this Letter of Intent will be followed by the negotiation of definitive documentation (the "**Transaction Documents**"), including a definitive amalgamation or share exchange agreement (the "**Definitive Agreement**"), setting forth the detailed terms of the Transaction and containing the terms and conditions set out in this Letter of Intent and such other terms and conditions as are customary for transactions of the nature and magnitude contemplated herein. All Transaction Documents shall be in form and content satisfactory to RDT, CCB, and their respective boards of directors and counsel. Subject to the terms and conditions set forth herein, the terms of this Letter of Intent are intended to create binding obligations on RDT and CCB. RDT and CCB are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**".

1. **Definitive Agreement.** Subject to the terms and conditions hereof, the Parties will promptly negotiate in good faith and enter into a Definitive Agreement setting forth the detailed terms of the Transaction and containing the terms and conditions set out in this Letter of Intent, together with additional representations, warranties, covenants, conditions and agreements customary for transactions of this nature. Pursuant to the Transaction, an aggregate of 16,666,667 units in the capital of RDT (the "**Units**"), each consisting of one common share (a "**Share**") and one common share purchase warrant (a "**Warrant**") in the capital of RDT, will be issued to the shareholders of CCB at a deemed price of C\$0.30 per Unit in exchange for all of the issued and outstanding common shares in the share capital of CCB, representing approximately 17.12% of the issued and outstanding Shares on an undiluted basis and approximately 27.53% of the Shares on a fully diluted basis, assuming full exercise of all convertible or exchangeable securities of RDT (including, without limitation, the Warrants, the December Warrants (as defined below), the

Finder Warrants (as defined below) and the Stock Options (as defined below)), on closing of the Transaction (the “Closing”). Each Warrant shall be exercisable to acquire one Share at a price of C\$0.45 per Share for a period of twenty-four months from the Closing date. The Units shall be subject to any applicable escrow requirements under applicable securities laws or the policies of the CSE and those referred to in Section 3(n) hereof.

It is currently contemplated that the Transaction will be completed pursuant to a three-cornered amalgamation pursuant to which, among other things: (i) CCB would amalgamate with a newly incorporated subsidiary of RDT and continue as a wholly owned subsidiary of RDT; and (ii) shareholders of CCB (the “CCB Shareholders”) would receive 1.13378687 Units in exchange for each one (1) common share of CCB held on Closing. No fractional Units shall be issued under the Transaction and the number of Units to be issued to each holder on Closing shall be rounded up or down to the nearest number of whole Units. The Parties agree that, in finalizing the structure for the Transaction, the Parties will take into due consideration the respective tax, corporate and accounting effects upon RDT, CCB, and their respective shareholders. While the Parties contemplate proceeding on the basis set forth in this Letter of Intent, the Parties may suggest an alternate structure after further business, legal, tax and accounting analysis.

2. **Directors.** It is the Parties’ intention that upon completion of the Transaction, CCB shall have the right to nominate one (1) director which the board of directors of RDT shall appoint as a director of RDT, subject to the receipt of all applicable regulatory approvals.
3. **Conditions.** Completion of the Transaction will be subject to fulfillment of the following conditions and such other conditions as are customary for transactions of this nature on or before the Closing, or such other time as specified below:
 - (a) each Party will have obtained all necessary consents, waivers, permissions and approvals by or from relevant third Parties (including board of directors approval and shareholders’ approval, if applicable), on terms and conditions satisfactory to the other Party, acting reasonably, including without limitation all applicable regulatory approvals, orders, notices and consents (including, without limitation and as applicable, those of the CSE in respect of the Transaction);
 - (b) on Closing, RDT shall continue to meet the minimum listing requirements of the CSE;
 - (c) the Closing shall have occurred no later than February 15, 2021, unless otherwise extended in writing by the mutual agreement of both Parties (the “**Outside Date**”);
 - (d) the representations and warranties made by each Party in the Definitive Agreement shall be true and correct in all material respects as of the Closing as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Letter of Intent or the Definitive Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to have a material adverse effect or would not, or would not reasonably be expected to, materially impede completion of the Transaction; provided that each Party shall be entitled to cure any breach of a representation and warranty within five business days after receipt of written notice thereof from the other Party (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);

- (e) no Party shall be in material breach of its obligations under the Definitive Agreement;
- (f) there shall not have been any event or change that has had or would be reasonably likely to have a material adverse effect on either RDT or CCB, as applicable;
- (g) the Units shall be issued to the CCB Shareholders in reliance on section 2.11 (Business combinations and reorganization) of National Instrument 45-106 – *Prospectus Exemptions*;
- (h) RDT providing CCB with interim financial statements of RDT for the nine-month period ended November 30, 2020, prior to the signing of the Definitive Agreement;
- (i) CCB providing RDT with annual unaudited financial statements as at October 31, 2020 prepared in accordance with accounting standards for private enterprises;
- (j) CCB providing RDT with a pro forma balance sheet and a list of the liabilities payable as of the January 1, 2021 which shall include the required issuances of CCB capital stock such that the capital stock amount totals 14,700,000 shares;
- (k) as of the date of Closing, CCB shall not have any liabilities other than accounts payable or accruals in the normal course of business, plus the expenses associated with this Letter of Intent and the Transaction referred to in Section 3(m) below;
- (l) as of the date of Closing, assets of CCB comprised of:
 - (i) cash and cash equivalents which shall be not less than C\$2,500,000 and
 - (ii) loans to RDT which shall be equal to C\$500,000 plus accrued interest;shall aggregate not less than C\$3,000,000;
- (m) CCB's unpaid expenses associated with this Letter of Intent and the Transaction shall not exceed C\$30,000 (excluding applicable sales taxes);
- (n) save and except for 10% of the Units which shall be issued and delivered to the CCB Shareholders on Closing, 90% of the Units issued on Closing shall be delivered into escrow pursuant to an escrow agreement to be entered into with Capital Transfer Agency ULC as escrow agent to be released in accordance with the release schedule set out in Schedule A attached hereto; provided that in the event and to the extent that as at the date of Closing:
 - (i) the aggregate amount of CCB's cash and cash equivalents and loans to RDT is less than C\$3,000,000 (such shortfall being the "**Deficiency**") or
 - (ii) CCB has any liabilities other than those permissible under Section 3(k) hereof (the "**Unaccounted-for Liabilities**"),

the number of Units to be issued to the CCB Shareholders shall be reduced by a number equal to the total amount of Deficiency and Unaccounted-for Liabilities divided by C\$0.30 and any such reduction in the number of Units shall be deducted from the final escrow release(s) of Units, in the event such Deficiency and Unaccounted-for Liabilities are not otherwise remedied within 60 days of the final determination of the Deficiency

and Unaccounted-for Liabilities by mutual agreement of RDT and a nominee of the CCB Shareholders or, failing such agreement, by the auditors of RDT.

Any of the Parties may, in its sole discretion, refuse to proceed with the Closing if the conditions precedent inserted for its or their benefit are not fulfilled to its or their absolute satisfaction prior to the Closing and it or they shall incur no liability to any other Party by reason of such refusal. The above conditions precedent, where not otherwise required by law, may be waived in whole or in part by the Party or Parties for whose benefit they are inserted in that Party or those Parties' sole discretion. No such waiver shall be of any effect unless it is in writing signed by the Party or Parties granting the waiver.

4. **Representations and Warranties of RDT.** RDT represents, warrants and covenants to CCB that:

- (a) this Letter of Intent 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;
- (b) it is validly existing under the laws of the Province of Ontario and is in good standing with respect to its obligations under the *Business Corporations Act* (Ontario), is a "reporting issuer" in British Columbia, Alberta, and Ontario, its Shares are listed on the CSE, and it is not in default of any of its obligations as a reporting issuer or as a CSE-listed issuer;
- (c) it has an authorized share capital consisting of an unlimited number of common shares, without par value, of which 80,666,805 Shares are issued and outstanding prior to the closing of the Definitive Agreement. There are (i) 3,441,000 incentive stock options (the "**Stock Options**"), each exercisable to acquire one Share at an exercise price of C\$0.82 per Share until March 11, 2024, (ii) 3,599,370 common share purchase warrants (the "**December Warrants**"), each exercisable to acquire one Share at an exercise price of C\$0.40 per Share until December 16, 2022 and (iv) 17,684 common share purchase warrants (the "**Finder Warrants**"), each exercisable to acquire one Share at an exercise price of C\$1.00 per Share until October 9, 2021. The Shares and convertible securities referred to in this paragraph are the only issued and outstanding securities of RDT and there are no other securities or agreements which could result in the issuance of shares or securities of RDT;
- (d) the data and information in respect of RDT and its assets, liabilities, business and operations provided, or to be provided, by RDT or its advisors to CCB or its advisors is, and will be, accurate and correct in all material respects as at the date hereof or the date provided, as applicable, and, in respect of any information provided or to be provided, did not and will not knowingly omit any material data or information necessary to make any data or information provided or to be provided not misleading in any material respect as at the date hereof or the date provided, as applicable. RDT has no knowledge of any material adverse effect with respect to RDT from that disclosed in such data and information;
- (e) the information and statements set forth in the information filed by RDT with any securities commission or similar regulatory authority in compliance, or intended

compliance, with applicable securities laws (the “**RDT Public Record**”) as at the date thereof, as it relates to RDT, 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 RDT which is not disclosed in the RDT Public Record, and RDT has not filed any confidential material change reports which continue to be confidential;

- (f) RDT’s consolidated audited financial statements as at and for the financial year ended February 29, 2020 were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and its condensed interim financial statements as at and for the nine-month period ended November 30, 2020 (collectively, the “**RDT Financial Statements**”) will be prepared in accordance with IFRS and present or will present, as the case may be, fairly in accordance with IFRS the consolidated financial position, results of operations and changes in financial position of RDT as of the dates thereof and for the periods indicated therein and reflect or will reflect, as the case may be, appropriate and adequate reserves in respect of contingent liabilities, if any, of RDT on a consolidated basis, and there has been no material change in RDT’s accounting policies or in the financial condition of RDT since November 30, 2020;
- (g) neither RDT nor its subsidiaries, if any, has any material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
 - (i) those set forth or adequately provided for in the most recent balance sheet and associated notes thereto included in the RDT Financial Statements (the “**RDT Balance Sheet**”);
 - (ii) those incurred in the ordinary course of business and not required to be set forth in the RDT Balance Sheet under IFRS;
 - (iii) those incurred in the ordinary course of business since the date of the RDT Balance Sheet and consistent with past practice; and
 - (iv) those incurred in connection with the execution of this Letter of Intent, including loans aggregating C\$500,000 plus accrued interest owed by RDT to CCB;
- (h) except as disclosed in the RDT Financial Statements or in writing by RDT to CCB, there are no actions, suits or proceedings in existence or pending or, to the knowledge of RDT, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect RDT or affecting or that would reasonably be expected to affect any of their property or assets at law or equity or before or by any governmental authority which action, suit or proceeding involves a possibility of any judgment against or liability of RDT which, if successful, would reasonably be expected to cause a material adverse effect with respect to RDT, or would significantly impede the ability of RDT to consummate the Transaction; and
- (i) to the knowledge of RDT, RDT has not withheld from CCB any material information or documents concerning RDT or its respective assets or liabilities during the course of CCB’s review of RDT and its assets. No representation or warranty contained herein, and no statement contained in any schedule or other disclosure document provided or to be provided to CCB by RDT pursuant hereto contains or will contain an untrue statement

of a material fact which is necessary to make the statements herein or therein not misleading.

5. **Representations and Warranties of CCB.** CCB represents, warrants and covenants to RDT that:

- (a) this Letter of Intent has been duly executed and delivered by CCB and constitutes a legal, valid and binding obligation of CCB 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;
- (b) it is validly existing under the laws of the Province of Ontario and shall be in good standing with respect to its obligations under the *Business Corporations Act* (Ontario) on Closing;
- (c) it has an authorized share capital consisting of an unlimited number of common shares of which 14,700,000 common shares will be issued and outstanding (the "CCB Shares") on Closing. The CCB Shares referred to in this paragraph are the only securities of CCB that shall be issued and outstanding on Closing and there are no other securities or agreements which could result in the issuance of any other shares or securities of CCB;
- (d) CCB has now and on Closing will have, good, valid and marketable title to its assets free and clear from all liens, charges, pledges, mortgages, security interests or encumbrances of any kind;
- (e) CCB will have a minimum of C\$2,500,000 in cash or cash equivalents in its account on Closing;
- (f) CCB will have no liabilities owing as at the date of Closing save and except for accounts payable or accruals in the normal course of business, plus costs and expenses incurred and unpaid in undertaking this Letter of Intent and the Definitive Agreement and completing the Transaction contemplated by the Definitive Agreement, subject to and in accordance with Sections 3(k) and 3(l) above;
- (g) the data and information in respect of CCB and its assets, resources, liabilities, business and operations provided, or to be provided, by CCB or its advisors to RDT or its advisors is, and will be, accurate and correct in all material respects as at the date hereof or the date provided, as applicable, and, in respect of any information provided or to be provided, did not and will not knowingly omit any material data or information necessary to make any data or information provided not misleading in any material respect as at the date hereof or the date provided, as applicable. CCB has no knowledge of any material adverse effect with respect to CCB from that disclosed in such data and information;
- (h) there are no actions, suits or proceedings in existence or pending or, to the knowledge of CCB, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect CCB at law or equity or before or by any governmental authority which action, suit or proceeding involves a possibility of any judgment against or liability of CCB which, if successful, would reasonably be expected to result in a

material adverse effect with respect to CCB, or would significantly impede the ability of CCB to consummate the Transaction; and

- (i) to the knowledge of CCB, CCB has not withheld from RDT any material information or documents concerning CCB or its assets or liabilities during the course of RDT's review of CCB. No representation or warranty contained herein, and no statement contained in any schedule or other disclosure document provided or to be provided to RDT by CCB pursuant hereto contains or will contain an untrue statement of a material fact which is necessary to make the statements herein or therein not misleading.

6. **Access to Information.** Upon acceptance of this Letter of Intent and until the earlier of the completion of the Transaction contemplated herein and the Termination Date, each Party will allow the other and its respective authorized representatives, including legal counsel and consultants, access to all information, books or records relevant for the purpose of the Transaction contemplated herein. Each Party hereto agrees that all information and documents so obtained will be kept confidential and the contents thereof will not be disclosed to any person without the prior written consent of the disclosing Party, except as otherwise provided for below, or as are required to be disclosed by applicable law provided that the disclosing Party is given prior notice thereof.

The foregoing does not apply to information that:

- (a) becomes generally available to the public absent any breach of the foregoing;
- (b) was available on a non-confidential basis to a Party prior to its disclosure pursuant to this Letter of Intent; or
- (c) becomes available on a non-confidential basis from a third Party who, to the knowledge of the recipient after enquiry, is not bound to keep such information confidential.

7. **Conduct of Business.** From the date of the acceptance of this Letter of Intent until the earlier of the completion of the Transaction contemplated herein and the Termination Date, RDT and CCB will each operate its business in a prudent and business-like manner and, except for transactions contemplated herein, in the ordinary course and in a manner consistent with past practice.

8. **Expenses.** It is understood by RDT and CCB that all costs and expenses incurred from the date of execution of this Letter of Intent up to and including the completion of the Transaction will be borne by the Party incurring the costs.

9. **Closing and Good Faith Negotiations.** The Parties hereto agree to proceed diligently and in good faith to negotiate and settle the terms of the Definitive Agreement for execution on or before January 28, 2021 (or such other date as may be mutually agreed to in writing between the Parties hereto) and to complete all transactions contemplated herein as soon as possible in order to ensure that the Closing shall occur no later than February 15, 2021 (or such other date as may be mutually agreed to in writing between the Parties hereto). Counsel for RDT shall be primarily responsible for preparation of the Transaction Documents, including the Definitive Agreement. Each Party shall permit the other Party and its counsel to review the preparation of all documentation to be sent to shareholders of the other Party or otherwise used in connection with the approval of the Transaction by the shareholders of the other Party and the CSE, as applicable, as well as any other regulatory authority having jurisdiction over the Parties.

10. **Confidentiality.**

- (a) It is intended that RDT will make a public announcement in respect of this Letter of Intent and the transactions contemplated herein and RDT will consult with CCB as to timing and content of such announcement. Otherwise, no disclosure or announcement, public or otherwise, in respect of this Letter of Intent or the transactions contemplated herein will be made by either Party without the prior written agreement of the other Party, provided that the obligations herein will not prevent either Party from making, after consultation with the other Party, such disclosure as its counsel advises is required by applicable law and CSE policies.
- (b) Unless and until the Transaction has been completed, except with the prior written consent of the applicable Party, each of the Parties hereto and their respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the other Party in strictest confidence, except such information and documents available to the public or as are required to be disclosed by applicable law provided that the disclosing Party is given prior notice thereof.
- (c) All such information (including any copies) in written form and documents will be returned to the Party originally delivering them and any electronic copies shall be deleted or destroyed in the event that the transactions provided for in this Letter of Intent are not consummated for any reason.

11. **Termination.** This Letter of Intent shall terminate with the Parties having no obligations to each other, other than the confidentiality provisions contained in Section 10, on the date of the earliest of the following events (the “**Termination Date**”):

- (a) written agreement of the Parties to terminate this Letter of Intent;
- (b) either of RDT or CCB not being satisfied with its due diligence review of the other Party and written notification of such is provided to the other Party on or before 5:00 p.m. (Eastern time) on January 28, 2021 or such other date as the Parties may agree upon in writing;
- (c) the Definitive Agreement not having been entered into by the Parties by 5:00 p.m. (Eastern time) on February 15, 2021 or such later date as the Parties may agree upon in writing; or
- (d) any of the conditions set out in Section 3 hereof not being fulfilled or, if applicable, waived by the applicable Party on or before the Closing or other date applicable thereto;
- (e) any applicable regulatory authority having notified in writing either RDT or CCB that it will not permit the Transaction to proceed.

12. **Consent and Approvals.** Following the execution of the Definitive Agreement, each of RDT and CCB will use its reasonable commercial efforts to obtain all necessary:

- (a) shareholder approvals prior to the Closing, as applicable; and
- (b) regulatory approvals (including CSE approval, if applicable) and to cooperate in making any submissions or filings necessary to give effect to the Transaction.

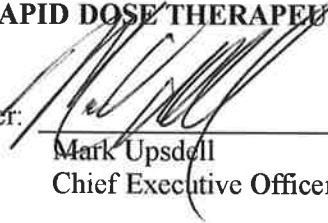
13. **Miscellaneous.** This Letter of Intent, the Transaction Documents and all other agreements contemplated herein and therein, if entered into, shall be governed in all respects, including validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without giving effect to the principles of conflicts of laws thereof and the Parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario in respect of any matter arising hereunder or in connection herewith. All monetary amounts referred to herein shall, unless otherwise indicated, be read as references to the lawful currency of Canada.
14. This Letter of Intent will be binding upon and will enure to the benefit of and be enforceable by the Parties hereto and their respective successors and permitted assigns. No assignment of this Letter of Intent will be permitted without the written consent of the other Party.
15. This Letter of Intent may be executed and evidenced by a facsimile copy or electronic copy thereof and all such counterparts or facsimile or electronic counterparts shall constitute one document.

[Signature page(s) follow(s)]

If the terms of this Letter of Intent are acceptable, kindly sign in the appropriate space below and return an executed copy to us, prior to 5:00 p.m. (Eastern time) on the ___ day of January 2021, which will confirm the status of our negotiations and, in the case of Section 10, your agreement. We confirm that a Definitive Agreement will be entered into only following the completion of negotiations as to all open items.

Yours very truly,


RAPID DOSE THERAPEUTICS CORP.

Per: 

Mark Upsdell
Chief Executive Officer

The terms of this letter of intent are hereby acknowledged and, where appropriate, agreed to as of the 7th day of January 2021.

**2544737 ONTARIO LIMITED, O/A
CONSOLIDATED CRAFT BRANDS**

Per: 

Tom Bryson
Chief Executive Officer

SCHEDULE "A"

ESCROW RELEASE SCHEDULE

	On Closing	Mar 15/21	May 15/21	July 15/21	Aug 15/21	Sept 15/21	Oct 15/21	Jan 15/22
Escrowed Shares:	10%	10%	10%	20%	10%	10%	10%	20%
16,666,667	1,666,667	1,666,667	1,666,667	3,333,332	1,666,667	1,666,667	1,666,667	3,333,333
16,666,667	1,666,667	1,666,667	1,666,667	3,333,332	1,666,667	1,666,667	1,666,667	3,333,333

