

# MATERIAL CHANGE REPORT

Form 51-102F3

Section 7.1 of National Instrument 51-102

## Item 1. Name and Address of Company

Rapid Dose Therapeutics Corp.  
1121 Walkers Line, Unit 3,  
Burlington, Ontario L7N 2G4

## Item 2. Date of Material Change

January 7, 2021

## Item 3. News Release (including date and method of dissemination)

A new release was issued via EIN Presswire on January 11, 2021.

## Item 4. Summary of Material Change

Rapid Dose Therapeutics Corp. (“**RDT**” or the “**Company**”) entered into a binding letter of intent (“**LOI**”) for the acquisition of 2544737 Ontario Limited, operating as Consolidated Craft Brands (“**CCB**”), in a share transaction (the “**Transaction**”) with a value totalling Cdn\$5,000,000.

## Item 5. Full Description of Material Change

### **5.1 Full Description of Material Change**

RDT entered into the LOI for the acquisition of CCB by completion of the Transaction aggregating Cdn\$5,000,000. CCB is a majority First Nations owned private company carrying on business in the development of packaged goods for cannabis edibles and cannabis-infused health and wellness products.

### **Terms of the Transaction**

Pursuant to the terms of the LOI, RDT is to issue 16,666,167 units (the “**Units**”), each Unit consisting of one (1) common share in the capital of the Company (each, a “**Common Share**”) and 1 Common Share purchase warrant (each, a “**Warrant**”), at a deemed price of \$0.30 per Unit in exchange for 100% of the common shares in the capital of CCB. Each Warrant will entitle the holder to acquire one Common Share at a price of \$0.45 per share for a period of 24 months from the closing of the Transaction. The number of Common Shares to be issued represents, after issuance, approximately 17.12% of the issued and outstanding Common Shares on an undiluted basis and approximately 27.53% of the Common Shares on a fully diluted basis after taking into consideration the exercise of all stock options and warrants outstanding after this Transaction.

The LOI contains terms and conditions consistent with similar transactions of this nature and will be the foundation for a definitive agreement (the “**Definitive Agreement**”) expected to close by February 15, 2021. The structure of the Transaction is expected to be a three-cornered amalgamation with CCB amalgamating with a newly incorporated subsidiary of the RDT (the resulting amalgamated corporation being referred to herein as “**Amalco**”). The Transaction is subject to negotiation of a Definitive Agreement which will contain terms and conditions of the LOI and other terms and conditions customary for transactions of the nature and magnitude of the Transaction, including completion of due

diligence investigations and any necessary approvals of regulatory authorities, shareholders and boards of directors. The selling shareholders of CCB will have the right to nominate one Director to the Board of Directors of the Company. The Transaction will be subject to a negotiated escrow agreement between the parties including timed releases of the Units over a period of 11 months.

**What the acquisition brings to the Company**

On completion of the Transaction, CCB (or Amalco) will become a wholly owned subsidiary of RDT that can accelerate and expand the Company's existing business model of developing, manufacturing and distributing precisely dosed health and wellness products. CCB brings CPG and Pharma manufacturing expertise, a Health Canada Cannabis R&D License with developed proprietary formulations, branded products, several patent-pending technologies for rapid onset beverage enhancements and a consortium of strategic alliances including First Nation majority shareholders. CCB has no debt and approximately \$3,000,000.00 cash and cash equivalents, including a repayable advance of \$500,000 made to RDT in conjunction with the Transaction.

**5.2 Disclosure for Restructuring Transactions**

Not applicable

**Item 6. Reliance on Section 7.1(2) of National Instrument 51-102**

Not applicable

**Item 7. Omitted Information**

Not applicable

**Item 8. Executive Officer**

Inquiries in respect of the material change referred to herein may be made to:

Mark Upsdell, Chief Executive Officer  
Phone: (416) 477-1052 - [mupsdell@rapid-dose.com](mailto:mupsdell@rapid-dose.com)

**Item 9. Date of Report**

This report is dated as of the 15<sup>th</sup> day of January, 2021.